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United Nations reform: measures and proposals

Review of the efficiency of the administrative and financial functioning of the United Nations

Programme budget for the biennium 2018–2019

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Global service delivery model for the United Nations Secretariat

Report of the Secretary-General

Summary

The present report is submitted pursuant to section XVII of General Assembly resolution 71/272 A, in which the Assembly requested the Secretary-General to submit for its consideration a report on the global service delivery model containing a comprehensive and fully developed proposal that continued to take into account the views of all stakeholders. The Assembly also requested the Secretary-General to ensure that budget proposals related to qualitative and quantitative benefits of the development and implementation of the global service delivery model were presented with a clear benefit realization plan.

The vision of the global service delivery model for the United Nations Secretariat is to provide administrative support services that effectively enable the fulfilment of the mandates of the United Nations. While Umoja standardized and automated business processes, the global service delivery model will consolidate fragmented administrative structures within and across duty stations with the goal of improving service delivery. This will include realigning the Secretariat's administrative architecture to better distinguish strategic from operational activities and strategic oversight from administrative service delivery.

The report sets out a detailed proposal for the global service delivery model, including baseline information and qualitative and quantitative benefits. Subject to the decisions to be taken by the General Assembly on the present report, the United Nations Secretariat would begin the transition to this new model in January 2019. In order to continue to develop the global service delivery model, resources are requested to manage the execution of the project in line with an accelerated implementation timeline.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 71/272 A, in which the Assembly requested the Secretary-General to prepare a comprehensive proposal for a global service delivery model. The report builds upon the work outlined in the report of the Secretary-General on a framework for a global service delivery model of the United Nations Secretariat (A/70/323) and in his subsequent report, in which the proposal for such a model was further developed (A/71/417). The related decisions of the Assembly, as well as the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions and oversight bodies, have been taken into account in preparing the report.

2. In his report in 2016 (A/71/417), the Secretary-General envisaged implementation of the global service delivery model in two phases. The scope of the first phase, planned for the biennium 2018–2019, was limited to human resources administration, accounts payable and payroll, and the consolidation of those processes in six duty stations. It also included the consolidation of administrative functions in New York and an expansion of shared services to missions. The second phase, planned for the biennium 2020–2021, consolidated human resources administration, accounts payable and payroll, as well as additional processes, into a minimum of two shared service centre locations.

3. In his report entitled "Shifting the management paradigm in the United Nations: ensuring a better future for all" (A/72/492) in 2017, the Secretary-General proposed accelerating this phased implementation schedule and, instead of consolidating services in six duty stations and then moving to a minimum of two centres, moving directly to the establishment of the shared service centres from January 2019. Skipping the initial phase will expedite the implementation of Secretariat-wide shared services, which will result in enhanced consistency, quality and efficiency of service delivery in a shorter time period. In view of the need for consultations with all stakeholders on the impact of the accelerated strategy on the global service delivery model and of the broader reform efforts, it was deemed to be more appropriate to present a comprehensive proposal for the accelerated implementation to the General Assembly together with the detailed proposals on management reform at the second resumed part of the seventy-second session. This will ensure that the global service delivery model is implemented in a manner that is fully aligned with all other reform initiatives.

4. The present report therefore contains the full proposal to accelerate implementation of a Secretariat-wide shared service centre model to 2019, as well as detailed budget implications. Information concerning the assessment for the locations of the shared service centres is presented in section III.B and in an addendum to the present report (A/72/801/Add.1). While the previous report of the Secretary-General (A/71/417) focused on a certain number of processes (i.e. human resources administration, accounts payable and payroll), the present report will provide a comprehensive view of the processes that can be integrated into the Global Shared Service Centres as part of the accelerated implementation strategy in 2019. The proposal leverages the experience and lessons learned from implementing shared services in other United Nations entities.

II. Case for change

A. Global service delivery model vision

5. The global service delivery model is a key enabler of the Secretary-General's reform agenda and is fully aligned with the redesigned organizational architecture and operating framework envisaged in his proposed management reform. It also takes into account the experience gained from introducing shared transactional services in the Secretariat to large numbers of international civilian staff, national staff and individual uniformed personnel in peacekeeping, special political and other field missions.[1] The global service delivery model (see figure I), which is enabled, inter alia, by governance, technology and change management, will consist of integrated services across the following functions:

(a) **Headquarters functions**. These focus on the provision of strategic direction, formulation of policy, oversight and leadership of stakeholder engagement;

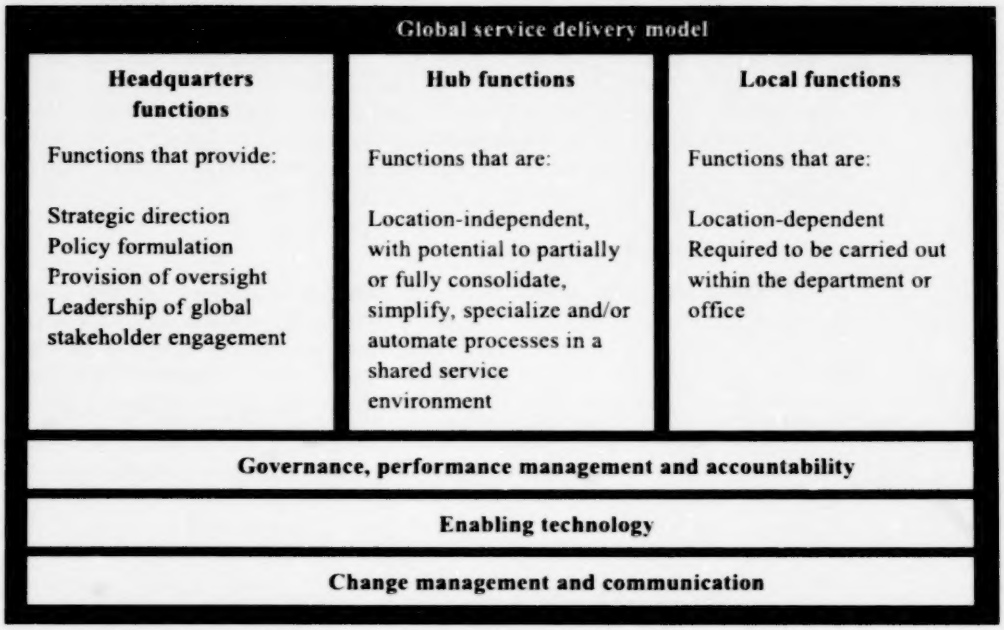
(b) **Hub functions**. These are location-independent functions that are performed locally, with potential to partially or fully consolidate, simplify, specialize and/or automate processes in a shared service environment, or functions that are led by United Nations Headquarters or offices away from Headquarters and missions but can be performed in other locations;

(c) **Local functions**.[2] These are location-dependent, non-transferable processes.

[1] See annex I for a summary of relevant experience of key stakeholders, including heads of administration in offices away from Headquarters and the regional commissions, other United Nations agencies and service providers in Headquarters. The summary takes into consideration lessons learned from chiefs of shared service centres within the Department of Field Support (Regional Service Centre in Entebbe, Uganda, and Kuwait Joint Support Office), recommendations from the Department of Field Support review of shared services conducted in October 2017, as well as the findings of the Joint Inspection Unit presented in its report on the role of shared service centres in redesigning administrative service delivery.

[2] The Secretariat will continue to support the ongoing efforts of the United Nations development system to consolidate service provision through integrated service provision at the country level (horizontal centres) or global/regional service offices (vertical centres) and to be consistent with ongoing management reform efforts. The Secretariat will continue to remain engaged and aligned with the United Nations Development Group's initiative to define and assess location-dependent services that could become part of a common back office in the future.

Figure I
Global service delivery model


Global service delivery model
Headquarters functions
Functions that provide:
Strategic direction
Policy formulation
Provision of oversight
Leadership of global stakeholder engagement
Hub functions
Functions that are:
Location-independent, with potential to partially or fully consolidate, simplify, specialize and/or automate processes in a shared service environment
Local functions
Functions that are:
Location-dependent
Required to be carried out within the department or office
Governance, performance management and accountability
Enabling technology
Change management and communication

6. The global service delivery model consolidates location-independent hub functions into Global Shared Service Centres. This model will enable services to be delivered with greater consistency and scalability, provide economies of scale and reduce the Organization's footprint in higher-cost and higher-risk duty stations. The initiative also offers an opportunity to enhance business continuity and improve the quality of services. With administrative services delivered where, when and how they are needed, the United Nations Secretariat can become nimbler and work more efficiently and effectively to better support its normative and operational activities.

7. The global service delivery model will support the Organization in realizing the full capacity of enterprise systems to free up programme managers from administrative tasks and enable them to deliver on their mandates with greater focus on strategic priorities, by providing flexible, reliable and cost-effective administrative services to all clients.[3] Programme managers will retain their decision-making authority and, in the context of management reform, that authority will be directly delegated by the Secretary-General and enhanced. The Global Shared Service Centres will facilitate the implementation of the decisions of programme managers by providing related administrative support services. The global service delivery model will facilitate proactive client support, where performance levels are measured consistently to provide greater transparency of administrative cost, improved quality and timeliness, and a mechanism for continuous improvement underpinned by a performance management framework. The model will be supported by sound governance and escalation mechanisms.

[3] "Client" refers both to: (a) an entity of the United Nations Secretariat (including offices and departments) requiring administrative services for the performance of their mandates; and (b) a staff member or representative of an entity authorized to request administrative services to be performed either for herself/himself as a staff member of the Organization or on behalf of the entity.

B. Business case

8. The purpose of the present section is to assess the benefits of implementing the global service delivery model against the projected costs. The advantages of the proposed distribution of shared service locations are compared with the current situation, and the current costs (i.e. the baseline scenario) are measured against projected future costs so as to determine the break-even period and subsequent savings. This analysis reflects implementation of the processes currently identified as within the scope of the global service delivery model from 2019, as further outlined in section III.A below.

1. Evaluation of alternative options

9. **Current situation**. Currently, the administrative functions of the United Nations Secretariat are dispersed, with work carried out in offices across the globe. This has resulted in inconsistent models for service provision and significant variation in terms of client service and cost. The global service delivery model aims to achieve greater efficiency, standardization and predictable scalability in service provision.

10. **Future options**. Other United Nations system entities, including the United Nations Development Programme, the United Nations Children's Fund, the Food and Agriculture Organization of the United Nations, the World Health Organization and the International Organization for Migration, have already moved to shared service delivery, through either single or multiple service centre models. While this existing service centre infrastructure is already operational, the volume of the Secretariat's work far exceeds the capacity of any existing United Nations service centre, and none of these centres was therefore considered viable for servicing the needs of the entire Secretariat at this time. Instead, the global service delivery model has centred on the creation of a dedicated Secretariat solution that best fulfils the needs of the Organization, while taking advantage of lessons learned in implementing such models in the Secretariat (such as the Regional Service Centre in Entebbe, Uganda, and the Kuwait Joint Support Office) and the experience of other organizations of the United Nations system. The model takes into account the potential for United Nations-wide service delivery opportunities in the future.

11. In selecting the number and distribution of future shared service centre locations, various configurations and scenarios were considered, both in the context of in-scope services for 2019 and the potential for expansion beyond. A summary of the advantages and disadvantages based on the number of shared service centres can be found in figure II.

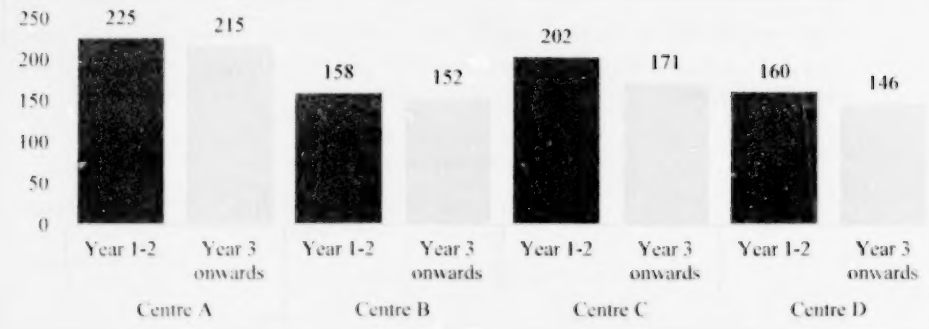
Figure II
Advantages and disadvantages of shared service distribution options

	Advantages	*Disadvantages*
One to two shared service centre locations	• Greater consistency of process and service delivery • Less overhead and management structure • Greater ability to specialize functions within larger units • Easier to implement	• Less time zone and regional coverage • Weaker business continuity model • Limited ability to source candidates with desired language skills
Three to four service centre locations	• Potential for greater time zone and regional coverage • Ability to implement a "follow-the-sun" service delivery model, with sufficient coverage/overlap to ensure an option for 24-hour service • Stronger business continuity model • Greater ability to source candidates with desired language skills	• Risk of process divergence and variations in service delivery • Increased overhead and management structures • More challenging to implement across multiple locations

12. Bearing in mind the advantages and disadvantages based on the number of shared service centres, the Secretary-General recommends consolidating location-independent transactional activity for offices and missions in four shared service centres. While earlier proposals envisioned an end-state with a minimum of two shared service centres, almost all configurations of such a model would constrain the ability to be reactive to urgent needs of clients outside of office hours and be vulnerable to inadequate capacity to handle emergency response at certain times. Analysis indicated that the combination of four shared service centre locations would not incur a significant cost increase compared with the previously proposed two or three centre models. Further detail regarding the location criteria, assessment and selection approach can be found in section III.B below.

13. The four centres would be coordinated by a global management structure, which would be situated in a location within the most central time zone among the recommended locations. Total staffing across the four centres will be 745 staff in the first two years of operation, reducing to 684 staff from the third year as efficiency gains and process improvements are realized. The distribution of these posts is summarized in figure III below.

Figure III
Estimated distribution of posts, by centre

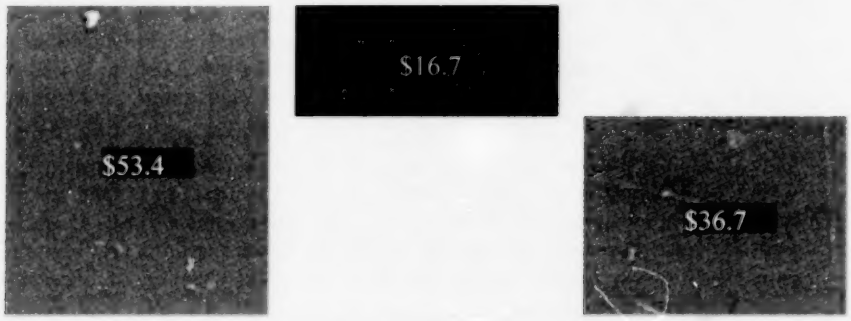


14. The 684 posts required for base operations will be funded as posts, with the additional 61 positions required in years one and two to be funded using general temporary assistance. Additional staff to perform implementation and capacity-building activities will be included as part of the project resources described in section IV.A. below, and these will also be funded by general temporary assistance resources.

2. Baseline and future costs

15. The recommendation for four shared service centre locations offers an attractive cost profile in comparison with the existing cost of operations for in-scope transactional work (see figure IV). Once the project is fully delivered, there is estimated to be a $16.7 million cost reduction per year over the baseline cost. For consistency of methodology, staffing costs have been calculated on net salary and common staff costs, excluding staff assessment.

Figure IV
Comparison of end-state annual cost
(Millions of United States dollars)



* Global service delivery model end-state is based on year five

Implementation assumptions

16. The baseline and future costs outlined in the tables below are based on the following assumptions:

(a) Four service centre locations will be started sequentially over the first year of operation, ramping up operations to absorb clients incrementally. For further detail on implementation planning, see section IV.A. Owing to the size and complexity of peacekeeping operations, any transition that would affect peacekeeping service delivery will occur in the second half of 2019. This will facilitate a smoother transition of services and the opportunity to leverage lessons learned with smaller clients earlier in implementation. For further detail on the impact of the global service delivery model on existing shared services and back-office arrangements in the field, see section IV.B;

(b) To facilitate knowledge transfer and capacity development in the shared service centres, the implementation plan includes teams of staff experienced in administrative transaction services on temporary assignment to each service location for a period of 12–24 months from the start-up of each centre. These staff will provide training, production support and on-the-job coaching for new staff. About half of these staff will be retained for the second year of operation to ensure the centres retain the capacity to manage complex cases and support the development of nationally recruited staff;

(c) In addition to the staff involved in capacity-building, a small operational support desk will be started using staff on temporary assignment to provide operational support for human resources for all centres. This function will be incorporated into the Human Resources Administration Sections once sufficient capacity exists to carry out the services;

(d) To support the initial setup of each centre, a locally hired project manager and additional human resources officers (for recruitment) will be brought in on temporary assignment for a period of one year. Centre A will also have six months of support to establish web and intranet presence and support the construction of data architecture for the service centres.

Cost-benefit analysis

17. The cost-benefit analysis compares the financial difference between as-is and to-be models. The as-is cost of operations has been estimated in order to provide a baseline against which the future model can be compared, and the net cost reduction between the two models is then related to the overall implementation cost in order to calculate a break-even for the project.

18. The methodology requires a fixed date to be defined when services will start being provided by the service centres, but in reality shared services will be gradually ramped up in a staggered fashion across the centres in 2019, rather than introduced via an instantaneous cutover. To address this, the date used in the calculation for the cost benefit is taken as 1 July 2019, which represents the average date of commencement of service provision.

Baseline cost of operations

19. Table 1 below illustrates the estimated baseline cost of carrying out in-scope transactional work using the current set-up of the Organization, and represents the scenario where no change is implemented.

Table 1
Baseline cost of operations
(Thousands of United States dollars)

Year	*One*	*Two*	*Three*	*Four*	*Five*
Estimated expenditure to carry out in-scope services	53 400	53 400	53 400	53 400	53 400

Note: Years reflect the cost of operations for the period from 1 July to 30 June, with year one beginning on 1 July 2019.

Future operating costs

20. Table 2 below illustrates the future operating costs of running shared service centres in the four recommended locations from 2019 to 2023. Over time, as the shared service centre moves towards stabilized operations, it is expected that efficiency gains may be realized.

Table 2
Future operating costs
(Thousands of United States dollars)

Year	*One*[a]	*Two*	*Three*	*Four*	*Five*
Estimated expenditure to carry out in-scope services	27 357	37 043	36 741	36 741	36 741

[a] Operating costs incurred by the new centres during ramp up in year zero are included in the transition costs detailed in paragraph 21 and table 3. This is to allow for a clearer comparison of like-for-like models of carrying out transactional work.

One-time cost of transition

21. Table 3 indicates the implementation costs associated with the first three years of operating the shared service centres in the four recommended locations. The proposed implementation budget covers the expected costs associated with workforce transition, set-up of the new locations/facilities, downsizing costs for affected offices and all other associated project costs to bring about the transition from the as-is structure of the Organization to the future service centre model. As shown in table 3, these are expected to total around $53.045 million over the preparatory, implementation and stabilization periods.

Table 3
One-time transition costs
(Thousands of United States dollars)

Year	*Zero*	*One*	*Two*	*Three*	*Four*	*Five*
Non-recurrent implementation costs	23 252	26 708	3 085	–	–	–

Break-even analysis

22. Taking into account the total implementation costs implied in the proposal and the projected annual savings from the new structure over the baseline operating costs, the project is expected to break-even within three and a half years and cumulatively save the Organization $39 million over the first five years.

III. Comprehensive proposal

23. The present section describes all the elements included in the global service delivery model. The comprehensive proposal is developed on the basis of the six-part methodology outlined in the Secretary-General's report on the framework for a global service delivery model of the United Nations Secretariat (A/70/323). These steps are:

- **Step 1**: location-dependence assessment of administrative processes and categorization as headquarters, hub or local
- **Step 2**: assessment of the business impact and difficulty of moving the process to a shared service centre
- **Step 3**: mapping of functional roles to the corresponding organizational structures in the Secretariat, in order to identify where functional roles are currently located and quantify the workload expended for each process (see sect. III.C.3)
- **Step 4**: identification of potential sites for consolidated administrative services, taking into account qualitative and cost-benefit considerations (see sect. III.B)
- **Step 5**: development of a business case for the global service delivery model (see sect. II.B)
- **Step 6**: development of a risk framework to assess potential risks and articulate a risk mitigation strategy (see sect. IV.D)

A. Scope of services

24. In accordance with section XIX of General Assembly resolution 70/248 A, the development of the global service delivery model is limited to the provision of administrative support services.

25. As indicated in the Secretary-General's previous report (A/71/417, paras. 7 and 8), an assessment and categorization of 386 administrative processes delivered within and outside of the enterprise resource planning system (Umoja) was conducted based on the first step of the six-part methodology outlined above. As a result, 201 processes were categorized as suited for a hub (i.e. location independent), with potential for consolidation into future shared service centres as a part of the global service delivery model. The Advisory Committee, in its report contained in document A/71/666, requested that a comprehensive and detailed inventory covering the totality of these 201 processes be provided, clearly identifying those that are to be implemented during each phase.

26. Pursuant to the Advisory Committee's request and to refine the scope for the implementation of the global service delivery model, a more in-depth review of the 201 processes was conducted on the basis of the second step of the methodology, to assess the impact and difficulty of moving the processes to a shared service centre. The review identified:

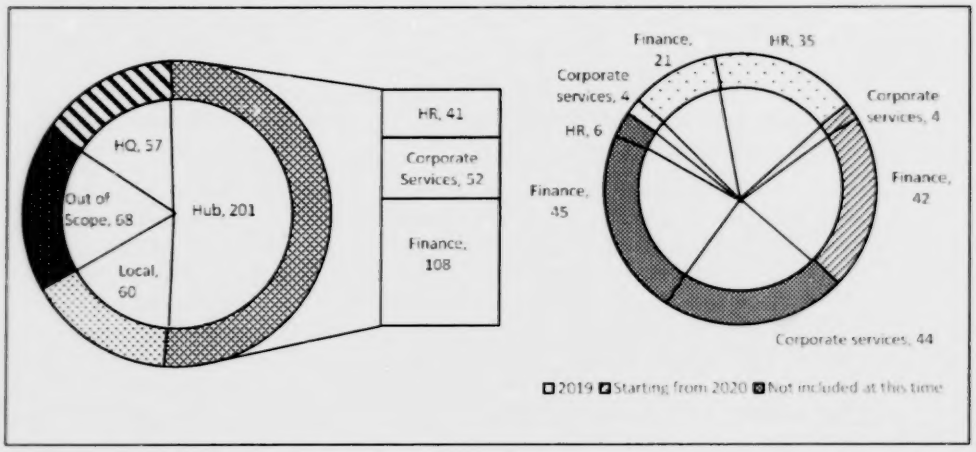
(a) **Processes expected to be offered by the Global Shared Service Centres in 2019**. The majority of these processes fall under the three primary areas: human resources administration, accounts payable and payroll. Processes related to bank reconciliation, travel and shipment lump sum calculations and financial reporting for field missions administered by the Department of Field Support were also considered for implementation in 2019, as the consolidation of these complementary processes is considered to be of immediate realizable benefit;

(b) **Processes not expected to be offered by the Global Shared Service Centres in 2019**, but which may be reviewed for implementation as part of subsequent expansions starting from 2020;

(c) **Processes that are not envisaged to be offered by the Global Shared Service Centres at this time**, as they are either out of the scope of the global service delivery model at this stage (i.e. are not of an administrative support nature) or may benefit from efficiencies derived from co-location with other non-hub activities and are therefore better off remaining in their current locations for now. Future reviews of these processes will be conducted to ensure that the services offered remain in line with client requirements.

27. The outcome of the assessment (see figure V) indicated that of the 201 location-independent processes, 60 processes were expected to be offered in shared service centres in 2019, including 35 human resources administration processes, 21 finance processes and 4 corporate service processes. A total of 46 processes, including 42 finance processes and 4 corporate service processes, were identified as having the potential for reassessment and implementation in a subsequent expansion starting from 2020; and 95 processes, including 6 human resources processes, 45 finance processes and 44 corporate service processes, were not envisaged to be offered in shared service centres at this time. A detailed inventory of the 201 processes is provided in annex II.

Figure V
Process assessment of 2017



Abbreviations: HQ, Headquarters; HR, human resources;

B. Selection of shared service centre locations

1. Assessment criteria

28. A location assessment was conducted in 2017 to support the selection of an optimal combination of complementary locations for the shared service centres. The assessment built on the criteria presented in the previous reports of the Secretary-General (A/70/323 and A/71/417) and took into account the related resolutions of the General Assembly and recommendations of the Advisory Committee on Administrative and Budgetary Questions. The criteria included the following:

(a) Security and stability;

(b) Family duty station;

(c) Health care, education and access, including reliable medical facilities, educational facilities and a nearby international airport;

(d) Infrastructure, including reliable, modern information and communications technology and a capacity to expand the location quickly to accommodate staff without significant new infrastructure investment by the United Nations;

(e) Availability of a qualified local workforce with the requisite skill profiles;

(f) Strong host Government relations to ensure recognition of United Nations privileges and immunities and access to visas for United Nations staff, including their spouses and dependants;

(g) Staff and operational costs.

29. In addition, based on lessons learned from the experiences of other United Nations entities that have implemented shared services and the report of the Joint Inspection Unit (JIU/REP/2016/11), additional criteria have been considered in the assessment, including:

(a) The need to ensure time zone coverage across the worldwide operations of the Secretariat. Shared service centres established in different time zones will offer effective services to clients in different locations. This approach will also facilitate a "follow-the-sun" support model, i.e. a global workflow in which certain transactions, when required, can be processed and passed between shared service centres in different time zones to increase responsiveness and reduce delays;

(b) The need to ensure business continuity in the event of a service disruption at one of the centres, so as to ensure that volume transaction processing can continue to be carried out;

(c) The specific requirements of different parts of the Secretariat, including language requirements;

(d) The possibility of facilitating future consolidation of shared service delivery for the United Nations system, where appropriate, thereby contributing to the "delivering as one" approach.

2. Assessment and selection approach

30. The location assessment followed a four-step approach. A consulting firm was engaged to assist with the assessment to ensure an independent and expert analysis, including developing the assessment framework and conducting the initial assessment in accordance with the pre-established criteria approved by the global service delivery model steering committee. The approach included the following steps:

(a) **Developing an evaluation framework**. In this step, the evaluation framework was established, including:

(i) Identifying the minimum requirements[4] for locations that would be further assessed;

(ii) Developing the scoring criteria that would be used to conduct the assessment;

[4] Based on criteria proposed to the General Assembly in documents A/70/323 and A/71/417.

(iii) Identifying sources of data available (both internal and public sources) to assess each criterion;

(b) **Conducting an initial assessment against minimum requirements**. In this step, all locations considered for assessment were evaluated against the minimum requirements identified as part of the evaluation framework. Those locations that did not meet the minimum requirements were not considered further;

(c) **Evaluation against scoring criteria**. In this step, locations that fully met the minimum requirements were evaluated against the scoring criteria approved by the steering committee, as follows: cost (40 per cent), qualified local workforce (40 per cent) and location suitability (20 per cent) (see figure VI);

(d) **Compilation of a shortlist of recommended locations**. In this step, locations were ranked and a shortlist was identified based on the outcome of the evaluation against the scoring criteria, including qualitative and quantitative assessment of cost, quality of local workforce and location suitability. A further review of the comparative advantages of each location, including cost factors, time zone coverage and available language skills, was conducted by the global service delivery model project team to identify the optimal combinations of complementary locations.

Figure VI
Location assessment scoring criteria

Cost (40 per cent)	**Qualified local workforce (40 per cent)**	**Location suitability (20 per cent)**
• Staff cost	• Availability	• Quality of life
• Operational cost	• Quality	• Country risks
• One-time set up cost	• Language skills	• Infrastructure

3. Location recommendation

31. The General Assembly, in paragraph 6 of section XVII of its resolution 71/272 A, reiterated that the proposal for the global service delivery model should take into account the use of all existing United Nations infrastructure, including away from Headquarters. Accordingly, 45 existing locations of the United Nations (including its funds and programmes) that deliver administrative support services were included in the location assessment.[5] Of the 45 locations, 28 locations fully met the minimum requirements and were evaluated against the scoring criteria.

32. The results of the detailed assessment indicated that locations A, B, C and D[6] were the highest scoring in their respective regions (i.e. Europe, Africa, Asia and the Americas). A more in-depth scenario analysis of two, three and four shared service centres based on the different combinations of the four locations was conducted, taking into account estimated costs and the strengths and weaknesses of each combination. Based on the outcome of this analysis and considering all criteria

[5] The 45 locations were Abidjan, Addis Ababa, Almaty, Amman, Apia, Bangkok, Beirut, Bonn, Brindisi, Budapest, Cairo, Copenhagen, Dakar, Dubai, Entebbe, Fukuoka, Geneva, Incheon, Istanbul, Johannesburg, Kathmandu, Kigali, Kingston, Kuala Lumpur, Kuwait City, Lusaka, Manama, Mexico City, Montevideo, Nairobi, New Delhi, New York, Niamey, Panama City, Port of Spain, Rabat, Rio de Janeiro, Rome, Santiago, Suva, Tashkent, Valencia, Vienna, Washington D.C. and Yaoundé.

[6] See document A/72/801/Add.1 for additional information and the names of the locations.

relevant to the location assessment, it was proposed that all four locations be selected. This combination would not incur a significant cost increase compared with the previously proposed models with two or three centres. More importantly, it would offer the following advantages:

(a) Full time zone coverage and proximity to clients to offer a stronger client focus and effective services to clients in different locations;

(b) One additional centre to share the heavy workload in Africa and Europe, enhancing business continuity planning in these regions;

(c) Sufficient language capacity to serve global clients;

(d) Co-location with existing United Nations system shared service centres to leverage existing knowledge, best practice and cooperation.

33. The potential risk of establishing four shared service centres within a short time frame would be mitigated by a phased implementation approach, which is further outlined in section IV.A below. The challenges with respect to consistent service delivery across a broader number of service centres would be mitigated, to an extent, by co-locating the Director, Global Shared Services, at one of the service centres, as well as by having the service centres report directly to the Director. Recognizing the need for further augmentation of the model to address emergency and high priority needs at United Nations Headquarters, the proposal also includes a small satellite team based in New York equipped with the functionality to carry out rapid response actions, particularly transactions for conferences and delegates.

C. Shared services operating framework

1. Management

34. Best practices and lessons learned from United Nations organizations and Secretariat shared service centres, as well as the recommendations of the Joint Inspection Unit (JIU/REP/2016/11, sect VII), highlight the critical importance of a sound management framework to champion and drive the success of shared service centre operations. To ensure effective operations by the shared service centres, it is important to establish a management structure that has clearly defined reporting lines, responsibilities and accountabilities and that monitors performance.

35. To this end, the development of the management and oversight framework for the global service delivery model will be guided by the following principles:

(a) Clearly defined reporting lines and delegation of authority for service centre management to ensure authority and accountability;

(b) Operational independence of the shared service centres, including independent operational-level decision-making capability, ownership of resources and oversight of the end-to-end process within the centres, while balancing this independence with appropriate accountability and oversight;

(c) Accountability for service quality by the shared service centres, facilitated through the establishment of service-level agreements between the service centres and their clients;

(d) Accountability and transparency to Member States on financial and operational performance through results-based budgeting and performance reporting;

(e) Close coordination and consultations with policy leaders to ensure that policy development reflects operational needs;

(f) Incorporation of client consultation mechanisms to ensure that clients are closely involved in the monitoring of service delivery performance.

36. Under the proposed new management paradigm, the Director, Global Shared Services, will report to the Under Secretary-General of the Department of Operational Support, while maintaining close coordination and consultation with the Department of Management Strategy, Policy and Compliance, to ensure synergies between policies and business processes executed in the Global Shared Service Centres. The Department of Management Strategy, Policy and Compliance will formulate policies, monitor and evaluate the activities of the centres and provide recommendations for improvement as required.

37. To ensure that offices away from Headquarters, the regional commissions, field missions, offices and departments will retain their full decision-making authority and effectively execute their mandates, the global service delivery model transition plan will include the following concrete measures:

(a) Move location-independent transaction services to the service centres, thereby allowing substantive offices to focus on mandate implementation. For example, the client office decides whom to select for a job opening, and the shared service centre, based on that decision, will handle the onboarding, human resources entitlement processing and payroll of the staff member, in accordance with the established regulatory framework;

(b) Include a local client support structure as a transition step under the management of the service centres;

(c) Include representation of offices away from Headquarters, the regional commissions, field missions, offices and departments as part of the global service delivery model Client Board, as a mechanism to ensure their input to and feedback on the operations of the centres.

Management of the Global Shared Service Centres

38. A single management structure for shared services, led by the Director, Global Shared Services, will be established to provide strategic direction and oversight across all shared service centre locations and to ensure consistency across locations and functions. The Director would be responsible for setting direction and overseeing shared service operations. Individual chiefs of the shared service centres would report directly to the Director. The chiefs of the individual centres will retain the necessary managerial authority to oversee the day-to-day operations and resources of the centres. They will also be responsible and accountable for service delivery, including formulation and implementation of solutions to issues raised by clients.

Client Board

39. A Client Board will be established, co-chaired by the Under Secretaries-General of the Department of Operational Support and the Department of Management Strategy, Policy and Compliance. This forum will review shared service performance and the results of client satisfaction surveys and provide guidance to improve service delivery and client satisfaction. It will also ensure that policy development reflects operational needs and that client needs are met. The client representation will comprise representatives of shared service centre clients.

Process management

40. Process management rests with the management of the Global Shared Service Centres and focuses on managing and improving performance of the end-to-end processes. Specifically, management of the centres is responsible for defining and

standardizing processes, identifying, developing and implementing process improvement initiatives, adapting processes to evolving operational needs and providing input to policy leaders on matters that affect shared service processes and ensuring alignment with policies. In addition, ongoing consultations between policy leaders and Global Shared Service Centre management will be established to identify potential areas for improvement.

2. Global Shared Service Centre structure

41. Clear roles and responsibilities for internal quality assurance across the global shared service structure are proposed to increase service maturity, build standardization and optimize resources and costs. These functions will be distributed across the units responsible for operational monitoring, process optimization, staff and client training, and client engagement (see figure VII). These are global operations and oversight teams, situated in the office of the Director, Global Shared Services, and co-located with one of the shared service centres as outlined in section II.B above. The Director is responsible for the direction and oversight of the Global Shared Service Centres, including but not limited to:

(a) Interacting with host Governments of shared service centre locations;

(b) Interacting with senior leadership and governance bodies;

(c) Coordinating with other United Nations entities in the location;

(d) Establishing service-level agreements with clients;

(e) Ensuring consistency of service between service centres;

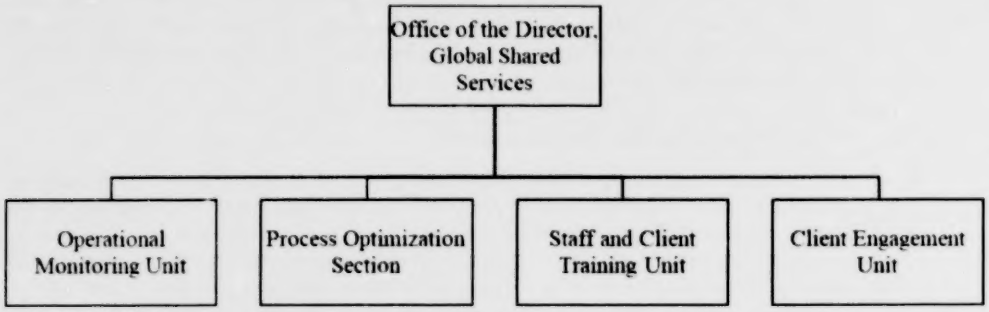
(f) Ensuring consistent client experience across all service centre locations;

(g) Setting priorities for shared service delivery across all service centre locations.

42. The Office of the Director includes an administrative officer to support the global functions and coordinate the administrative activities of the four centres, and will use the administrative unit of service centre A for local administrative support such as budgeting, procurement and recruitment.

43. The offices of the chiefs will contain a small administrative unit led by an administrative officer responsible for local processes, such as budgeting, procurement, information and communications technology support, recruitment and performance management. The chiefs (at the D-1 level) of the four service centres report to the Director, Global Shared Services, (D-2) in the Department of Operational Support.

Figure VII
Global Shared Service Centre functional structure[7]


Office of the Director, Global Shared Services
Operational Monitoring Unit
Process Optimization Section
Staff and Client Training Unit
Client Engagement Unit

Operational Monitoring Unit

44. The purpose of the Operational Monitoring Unit is to report on performance against service-level agreements and key performance indicators for the Global Shared Service Centres and to conduct self-auditing activities. Key responsibilities include:

(a) Developing standard reporting mechanisms applicable to the Global Shared Service Centres;

(b) Supporting staff and centre performance management;

(c) Initiating and managing periodic client satisfaction surveys, identifying areas for improvement and using these as input into service-level agreement reviews;

(d) Consolidating global reporting against service-level agreements and key performance indicators;

(e) Acting as the focal point for the iNeed global service catalogue, including catalogue items, routing of tickets and reporting;

(f) Providing support to policy leaders in monitoring delegation of authority;

(g) Supporting audit requirements and compliance reporting as requested by policy and process leaders, oversight bodies and other relevant entities.

Process Optimization Section

45. The purpose of the Process Optimization Section is to continually improve the operational performance of the service centres. The unit works closely with the Operational Monitoring Unit. Key responsibilities include:

(a) Supporting the identification, evaluation and prioritization of continuous improvement projects related to the shared service centre;

(b) Developing and managing service improvement projects aimed at improving user experience and establishing a common user experience across the Global Shared Service Centres;

(c) Driving process re-engineering and implementation of process changes;

[7] Details of staffing levels can be found in annex IV.

(d) Providing input to policy leaders on matters that affect shared service processes and ensuring alignment with policies;

(e) Building, supporting and maintaining an effective working relationship between the Global Shared Service Centres and the Office of Information and Communications Technology and the Office of Enterprise Resource Planning — Umoja;

(f) Supporting roll-out of Umoja enhancements and implementation for future phases across the Global Shared Service Centres.

Staff and Client Training Unit

46. The purpose of the Staff and Client Training Unit is to provide consistent training and capacity development for staff involved in client support and service delivery. The Unit is also responsible for developing training content for clients of the Global Shared Service Centres, particularly when new clients begin using shared services or when established working practices or policies are changed. Working closely with the Operational Monitoring Unit and the Process Optimization Section, key responsibilities include:

(a) Developing and maintaining client training materials related to the Global Shared Service Centres and sharing knowledge and materials for distribution;

(b) Planning and facilitating staff learning and development activities through a range of channels, including face-to-face training, train-the-trainer programmes and electronic and blended learning;

(c) Working with Client Support Units to understand common user queries and implement measures to support training activities;

(d) Promoting adoption and use of knowledge management in the Global Shared Service Centres through the development and support of communities of practice, such as technical user groups, and managing capacity-building within the centres;

(e) Maintaining a library of standard operating procedures.

Client Engagement Unit

47. The purpose of the Client Engagement Unit is to serve as a resource for clients and to work with key stakeholders to ensure communication between service providers and clients is clear, timely and relevant. Key responsibilities include:

(a) Developing and coordinating the implementation of the shared service centre communication strategy, to provide specific and timely information that engages internal stakeholders so as to bring about change in an effective manner;

(b) Developing and maintaining the shared service centre brand and guidelines;

(c) Managing the shared service centre intranet and Internet pages and continually developing these as an effective communications tool;

(d) Drafting and disseminating regular intranet campaigns, email broadcasts, information circulars, fact sheets and frequently asked questions/answers with regard to the Global Shared Service Centres;

(e) Managing external outreach activities, including publicly accessible information materials;

(f) Developing and managing client engagement events, including newsletters, town hall meetings and walk-in clinics;

(g) Organizing mission visits to clients by shared service centre management and personnel;

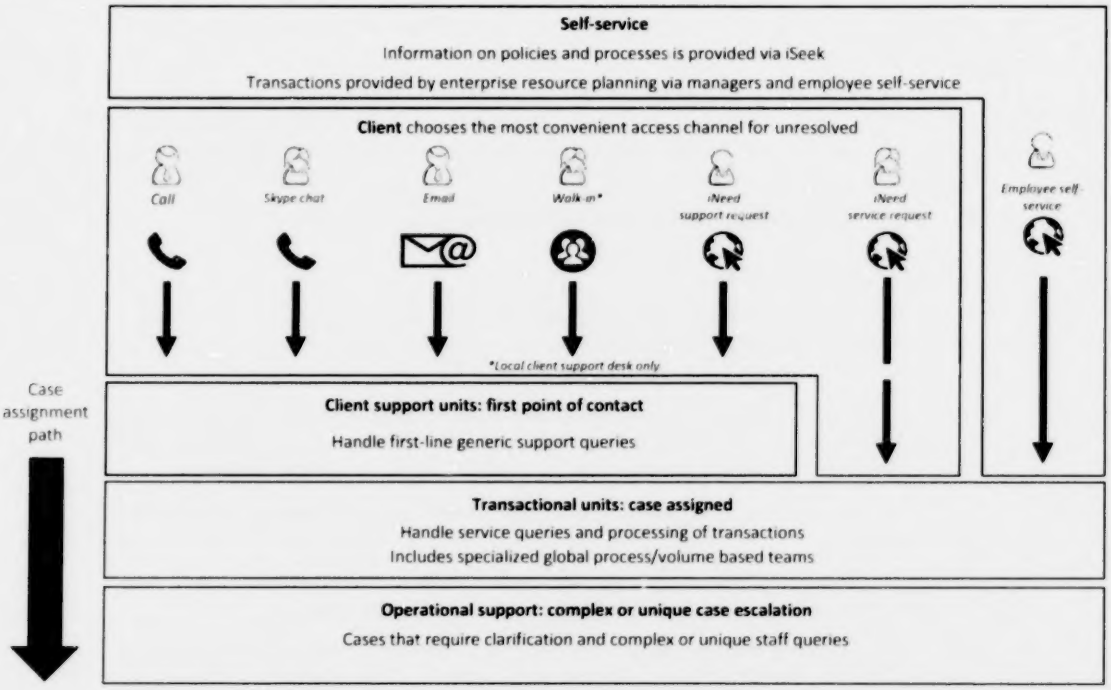
(h) Providing guidance to Global Shared Service Centres on communications matters, methods and approaches, such as email templates, telephone response scripts, checklists for clients and welcome packages for new staff.

48. In addition, the Senior Client Services Officer in charge of the Client Engagement Unit also acts as the Senior Service Manager for the Client Support Units in the shared service centres, to ensure consistent client support and oversight of urgent issues on a global level.

3. Service delivery

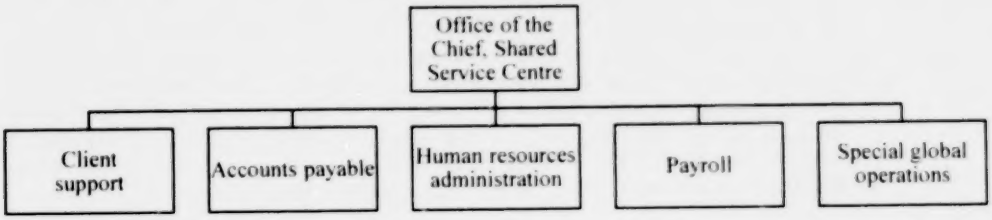
49. A consistent client service model is a key part of providing a positive experience for clients of the global service delivery model. Figure VIII illustrates the proposed case assignment path through the various units of a shared service centre. This model will be facilitated by existing telephony and remote communications services, such as Voice over Internet Protocol and Skype for business, and by supporting service requests made via the global service catalogue (iNeed or Umoja employee self-service portal). Access channels will ensure that both staff and external clients, such as former staff and vendors, have access to the services available to them.

Figure VIII
Client support model


Self-service
Information on policies and processes is provided via iSeek
Transactions provided by enterprise resource planning via managers and employee self-service
Client chooses the most convenient access channel for unresolved
Call
Skype chat
Email
Walk-in*
iNeed support request
iNeed service request
Employee self-service
*Local client support desk only
Case assignment path
Client support units: first point of contact
Handle first-line generic support queries
Transactional units: case assigned
Handle service queries and processing of transactions
Includes specialized global process/volume based teams
Operational support: complex or unique case escalation
Cases that require clarification and complex or unique staff queries

50. Most staff in the shared service centre will work in either client support or transactional units, including human resources administration, accounts payable and payroll (see figure IX). Each centre will also maintain a small administrative unit to ensure that its own administrative needs, such as recruitment and budgeting, are met.

Figure IX
Shared service centre service delivery structure



Client support

51. The purpose of the Client Support Units is to provide standardized and efficient handling of queries. Core responsibilities will include following up on staff queries, including reassignment of cases to transactional staff; providing basic problem solving and limited policy guidance related to transactions; and monitoring progress of cases and keeping end users informed of progress. The Client Support Units are also responsible for escalating unresolved or incorrectly resolved issues and maintaining round-the-clock support for exceptional circumstances or crisis situations.

52. To ensure that the Client Support Units are able to resolve the majority of cases, staff will be rotated between client support functions and service delivery functions on a regular basis. This ensures a higher exposure of staff to client needs and ensures that staff queries are responded to by staff who know and understand the services delivered by the service centres.

53. As a transitional measure, a local client support structure will be established in parent offices, offices away from Headquarters and the regional commissions to support client interactions locally. These resources will be under the management of the shared service centre.

Service delivery units/sections

54. The purpose of the service delivery units and sections [8] is to provide transactional processing services; they comprise the bulk of the staffing for the service centres. Service units will initially include accounts payable (including vendor and travel claims), human resources administration and payroll.

Special global operations

55. Service delivery functions will include a Special Global Operations Unit. This Unit will deliver expertise-based administrative services that can be separated from the main processing areas, are not time critical, benefit from being carried out by a team located in one service centre location and require special attention or coordination to ensure quality. The following processes will initially be included within this scope: financial reporting functions for peace operations, "netting" (globally offsetting credits and debits between the Organization and its vendors), bank reconciliation and the calculation of travel and shipping lump-sum payments related to staff entitlements.

[8] Names follow the organizational nomenclature of the Secretariat, with a section representing a minimum of four Professional posts headed by a Chief at the P-5 or P-4 level and a unit representing a minimum of four posts headed by a chief of unit.

Staffing levels

56. Staffing levels related to service delivery are based on transactional volumes and accepted processing time estimates, as well as predetermined management spans of control (i.e. the number of individuals supervised by the manager) per function. This allows for scaling staffing levels to accommodate changes in transactional volume, as well as improvements in processing efficiency. Some team leaders will be locally hired Professional staff, which will provide career development opportunities for local service delivery staff with the appropriate qualifications and experience. Table 4 provides the total staffing levels for client and service delivery units in the first year of operations, including the ratio of team leaders to staff.

Table 4
Client and service delivery unit staffing levels

Service	*General Service staff*	*Team leaders (accounts payable payroll – NPO (C); human resources – P-3)*	*Service managers (P-4)*	*Senior service managers (P-5)*	*Total*
Client support	82	7	4	–	93
		(1:12 ratio)			
Human resources administration	200	20	4	1	225
		(1:10 ratio)			
Payroll	68	9	4	1	82
		(1:8 ratio)			
Accounts payable	178	15	3	1	197
		(1:12 ratio)			
Special global operations	31	2	1	–	34
		(1:15 ratio)			
Total	**559**	**53**	**16**	**3**	**631**

57. The number of General Service staff and team leaders was determined by an analysis of the work effort of in-scope processes at the hub level. Both General Service staff and team leaders will be expected to carry out transactional work as part of their duties. National Professional Officers will be used as team leaders for accounts payable, client support, payroll and special global operations, while international Professional officers will be used as team leaders for human resources administration because of the complexity of human resources policy and practice within the Secretariat. This is an important lesson learned in the start-up and stabilization of the Regional Service Centre in Entebbe.

58. The majority of posts within the Global Shared Service Centre structure and at the four service centres will be created by abolishing posts in other duty stations, commensurate with the work effort currently being carried out (i.e. performance of services within the scope of the global service delivery model). In addition to these units, the team managing financial accounting functions for peacekeeping and special political missions (see table 5) will be created through the transfer of finance functions from the entities presently undertaking these tasks. This team will carry out finance support for field missions, that is, functions that are outside the scope of the service delivery model and are not available for other clients. Owing to the specialized nature of these functions, the team will be established in location B, co-located with the Senior Service Manager for accounts payable to ensure coordination between the functions.

Table 5
Staffing levels for financial reporting for peace operations

Title	*Number of staff*
P-5, Chief of Field Finance Section	1
P-4, Finance Officer	2
P-3, Finance Officer	5
National Professional Officer, Finance Officer	8
General Service, Finance Assistant	39
Total	**55**

D. Performance framework

59. The present section describes the performance management framework for the Global Shared Service Centres. It describes how service-level agreements will be used to ensure a proactive support model, where performance levels are determined by adherence to agreed key performance indicators and a mutual commitment to continuous improvement and client service.

1. Service-level agreements

60. A service-level agreement is a formal agreement that defines parameters and responsibilities for the delivery of a service. The purpose of a service-level agreement in the context of the global service delivery model is to articulate the minimum, expected and agreed quality and timeliness of the service provided to clients. This will ensure that both parties (i.e. the client and the shared service centre) have a clear understanding of the services to be provided and of the responsibilities of each party and their obligations to each other.

61. The service-level agreement will stipulate the following:

(a) The exact service the shared service centre will provide to the client, described in a clear and accurate way;

(b) The specific responsibilities of all parties (the client, the shared service centre and, to the extent that approval is required for any processing actions to be completed, Headquarters);

(c) The time frame in which the service will be delivered;

(d) The framework for measuring performance, including performance measurement indicators, targets and reporting;

(e) Mechanisms for escalation and dispute resolution.

62. The Secretariat currently has a number of service-level agreements in place between current service providers (offices/departments of the Secretariat that provide services) and their clients (offices/departments of the Secretariat that receive services). The global service delivery model project team will analyse these service-level agreements to identify exceptional features, leverage lessons learned from existing shared service centre operations and work collaboratively with policy leaders and clients to develop a master global service delivery model service-level agreement for end-to-end service, taking into account process dependencies and exceptions.

63. Best practice and lessons learned in deploying shared services has demonstrated that the existence of a service-level agreement alone is not sufficient to ensure high

levels of performance. Constant dialogue, an ongoing focus on client requirements, a joint responsibility for client support in a tiered support model involving the client entity and the service centre, and open communication channels must be maintained between Global Shared Service Centres and their clients. Management of the global service delivery model service-level agreement will therefore include communication mechanisms to facilitate the collaborative resolution of problems and the identification of opportunities to improve service effectiveness. Face-to-face meetings will take place at periodic intervals where applicable. The shared service organizational structure will include roles with specific responsibility for service-level management, to assess conformity with agreed upon service standards.

2. Performance measurement

64. The service-level agreement will be measured against mutually agreed key performance indicators to quantify performance in terms of cost, quality and time. Target performance levels will be established for each key performance indicator, enabling objective measurement of shared service centre performance against expectations. This monitoring process will help to reinforce a service culture and can be used to encourage continuous improvement in both process efficiency and customer service. Performance measures that are adapted to the appropriate risk tolerance of different clients and operational contexts, particularly in field environments, such as emergency situations, will be considered in the design of the processes, service catalogues and related key performance indicators.

65. In line with the performance management recommendations made by the Joint Inspection Unit (JIU/REP/2016/11, recommendations 1 and 2), the global service delivery model performance management framework will:

(a) Provide the tools and systems required to support efficient tracking of client service and the capturing of business intelligence for performance measurement and further improvement and comparison with benchmarks;

(b) Define efficiency benchmarks based on objective standards and ensure that performance targets are progressively adjusted to attain them.

66. Performance reporting will be enabled by various mechanisms, including:

(a) **Client scorecards**. The scorecards would contain key performance data to facilitate systematic performance monitoring and reporting to clients, business owners and accountability and oversight bodies;

(b) **Service centre dashboards**. The dashboards would contain key performance data to allow service centre staff members to be aware of service levels, caseload statistics and service priorities. This will allow staff and management to allocate resources to optimize service delivery;

(c) **Client feedback mechanisms**. Mechanisms would be put in place to gauge satisfaction, assess performance and gather input to inform continuous improvement initiatives. This will occur through:

- Qualitative data gathered from the client during or after completion of a service request and recorded in the client relationship management application (further outlined in sect. III.E);
- Direct client engagement, including workshops and client meetings;
- A client satisfaction survey, initially conducted in 2018 to establish a baseline for existing services that will be delivered by the global service delivery model.

67. International best practice highlights that collection of performance data should be automated as much as possible, as manual data collection is more resource

intensive and more prone to errors. The necessary systems and data collection mechanisms must be established to ensure effective data capture and analysis for performance reporting purposes.

E. Client relationship management application

68. A major challenge of introducing shared services is to maintain consistent handling of issues and a high quality of service to geographically dispersed clients. A client relationship management application is a technology platform which enables large volumes of interactions across various channels to be handled efficiently and consistently. Case management provides for tracking and monitoring of queries and a mechanism for fast, effective escalation to the right point of contact.

69. The United Nations Secretariat has implemented a client relationship management application, composed of a "client-facing" (i.e. involving direct interaction with clients) catalogue (Unite self-service portal) and a tool to manage requests for use by service agents (iNeed). The global service delivery model will adopt the same tool, enhance it and use it to improve client service efficiency and effectiveness. Work is under way to implement a single common catalogue of services across the Organization prior to the launch of the shared service centres, which harmonizes and standardizes service offerings and administrative processes to ensure a smooth transition to shared services in 2019. Performance reporting will also be based on data integrated from both the client relationship management application and Umoja workflows.

F. Process improvement and innovation

70. Administrative processes are currently carried out in a variety of ways across the various entities of the United Nations Secretariat. While these are tethered to the same overarching regulations and rules, the standard processes implemented as part of Umoja have undergone a significant evolution in different locations, leading to a variety of solutions to achieve common outcomes. To ensure the success of the global service delivery model, processes must be standardized at the outset, based on best practices, and re-engineered towards optimal standards. A review is currently under way to define processes that can accommodate all client needs and effectively balance the pursuit of efficiency and productivity with the need for quality and control. Dedicated working groups comprising subject matter experts, policymakers, technical experts and clients from across the Organization have already made significant progress towards streamlining in-scope processes.

71. The process improvement working groups have incorporated existing knowledge from across the Organization, including Umoja implementation documentation and standard operating procedures in use across the Secretariat. Final processes will clearly define responsibilities and handover points for specific process steps between the Global Shared Service Centres, Headquarters functions and the local activities of clients/entities. Two examples of process flows, demonstrating how service will be provided in the future global service delivery model, are included in annex III. Detailed design documents will be produced to support these process flows, linked to policy, technology and implementation requirements, and will be completed by the end of 2018.

72. Recognizing prior and parallel initiatives within the Organization to improve process efficiency and service provision, the working groups are actively engaged with other project teams to leverage synergies, and the global service delivery model project team continues to coordinate with key stakeholders to ensure harmonization

of efforts with the Department of Field Support review of shared services in the field, the common service catalogue and other projects under way across the Organization and the United Nations system.

G. Funding model

73. The proposed funding model aims to ensure that the Global Shared Service Centres are transparent to funders and entities that receive services; accountable, with the required authority for the management of resources through a dedicated budget; predictable, so as to ensure that services can be delivered according to service-level agreements; scalable, so as to meet changes in workload and ensure that resources are available when needed; efficient to administer; and funded from sources that are consistent with the nature of the activities for which administrative support services are to be provided.

74. Based on the nature of the functions, the programme plan for the Global Shared Service Centres is proposed for inclusion in programme 25, Management and support services, of the biennial programme plan for the period 2018–2019. In order to reflect the establishment of the Global Shared Service Centres, an addition to the biennial programme plan for the period 2018–2019 (as contained in document A/71/6/Rev.1) is set out in annex IV to the present report.

75. Taking into account lessons learned from the Regional Service Centre in Entebbe, it is proposed that the Global Shared Service Centres have their own budget (see annex I). In this regard, a separate subsection under part VIII, Common support services, section 29, Management and support services, of the programme budget for the biennium 2018–2019 is proposed as a new subsection 29D, Global Shared Service Centres, to include all shared service centre locations.

76. In order to ensure transparency, as well as equitability of funding sources, the proposed programme budget fascicle will contain an overview of resources for the subsection by funding source based on workload indicators, thereby presenting a full picture of the resources for the Global Shared Service Centres. In the context of the proposed programme budget, the General Assembly will be requested to approve the programme budget resources, as well as the distribution of the budget for the shared services centres across other assessed and extrabudgetary funding sources. The resources for other assessed sources of funding will be reflected in the respective budgets.

77. In view of the need for the Global Shared Service Centres to be scalable to accommodate both increases and decreases in workload, it is proposed that the scalability model be an inherent part of the funding model. The shared services centres must be able to augment resources in a timely manner to meet increased demand and, conversely, to downsize based on decreased workload.

78. As is the practice for many service providers, standard costs will be calculated for the services to be provided by the Global Shared Service Centres. The standard costs will be reviewed on a periodic basis against actual costs and industry benchmarks and will then be reviewed by the Controller. The methodology for the calculation of a standard cost will be determined based on the service to be provided. For example, in the case of human resources administration and payroll services, standard costs would be applied for each type and number of personnel by respective funding source. For other types of activity, such as accounts payable, the standard cost would be calculated based on volume and respective funding source.

79. The scalability model for the future resource requirements of the Global Shared Service Centres will be guided by the following principles:

(a) It will be data driven and based on key metrics of performance for the services in scope;

(b) It will incorporate appropriate drivers and variables, such as transaction volume by process (e.g. number of invoices or number of personnel), client size and complexity;

(c) It will build in contingency for uncertainty and risk;

(d) It will include baseline assumptions in building the model, i.e. working days in the calendar year and productive hours;

(e) It will include different workload indicators for servicing different categories of personnel (international staff, national staff, individually supported uniformed personnel, etc).

80. In order to be flexible to changes in client size and complexity of tasks, a request for additional or decreased resources based on the standard costs of the services would be included in any relevant revised budget proposal or cost plan. For example, if a revised estimate or statement of programme budget implications is submitted to the General Assembly, the standard cost for the provision of human resources administration and payroll services will be proposed under subsection 29D, commensurate with the increase or decrease in the number of personnel in the proposal. This will ensure that the service centres have the resources required to scale up when called upon to provide the requisite services under a surge situation. Conversely, it will also ensure that the Global Shared Service Centres scale down when the number of clients decreases and a lower level of service provision is required. A current similar example is the standard cost that is proposed under section 29 for rental and maintenance of premises in New York when posts are proposed outside of the proposed programme budget. The same standard cost is also applied to positions funded from extrabudgetary resources.

81. As the Secretariat provides services to other entities of the United Nations system, the Global Shared Service Centres will similarly provide these services to non-Secretariat entities on a cost-for-service basis using the standard costs.

82. As resources for the Global Shared Service Centres will initially be based on existing resources, it will need to be determined whether the distribution of funding by source is aligned with the services to be provided and, if necessary, to realign it over time to ensure that there is no subsidization across funding types. As services are also provided to entities that are not part of the Secretariat, further discussion will be required during 2018 regarding existing agreements with such entities, transitional arrangements and costs for the related service provision.

IV. Implementation proposal

A. Implementation approach

83. A clear transition plan will minimize disruption and help to mitigate any operational risks of moving to the Global Shared Service Centres within the accelerated timeline for implementation. The transition plan will address the timely staffing of the shared service centres and transfer of knowledge related to administrative processes, while managing downsizing in other locations. All stages of implementation will incorporate structured programme management, integrated communications and change and risk management.

1. Principles

84. The high-level phases of the transition plan will aim to manage the complexities of launching the new Global Shared Service Centres while maintaining the efficient and effective processing of administrative transactions. The transition plan will be developed in line with the following principles:

(a) A phased approach with incremental integration of functions and client groups will be adopted for the implementation of the Global Shared Service Centres, aiming to achieve buy-in through client participation and promotion of quick-win benefits;

(b) A roll-out sequence will plan the transition of each client into a shared service centre and aim to minimize the risk of disruption from the transition, while at the same time moving to the global service delivery model as quickly as possible;

(c) There will be a minimum of one month between each client group transition. Lessons learned will be captured after each transition to improve the efficiency of the process and transfer the learning to the next transition;

(d) The sequencing of client transitions will be determined using a collaborative approach, and will be based on the relative size of the client, the complexity of the processes and services required, interdependencies with other clients and other people/change matters;

(e) Transitioning of clients will carefully consider how and what services are currently provided through existing shared service arrangements to minimize service disruption and effectively manage double-incumbency periods;

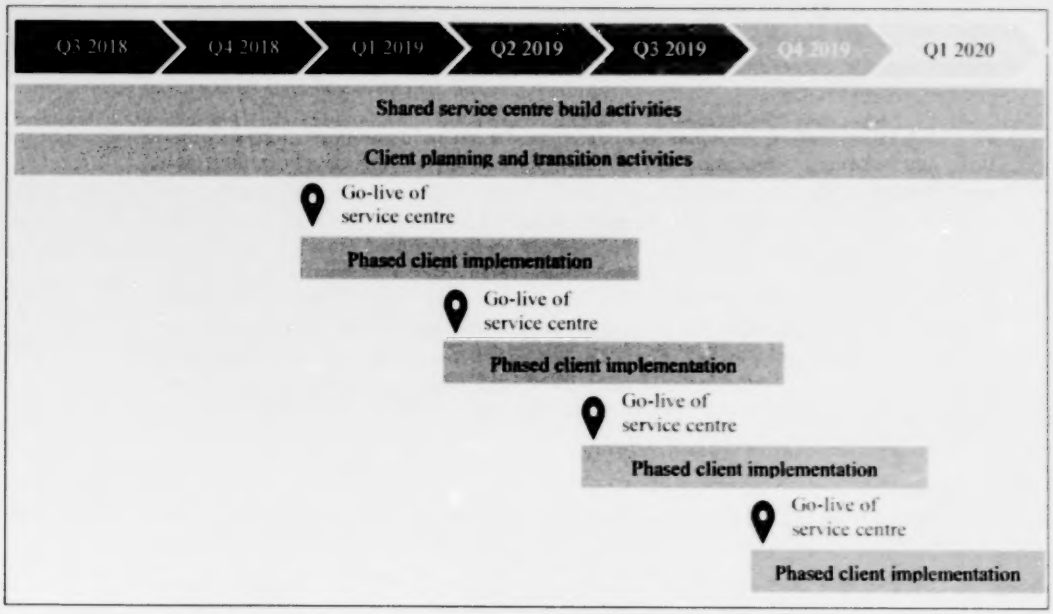
(f) Change impact assessments will supplement each client's transition plan, to provide a detailed view of specific client requirements.

85. Implementation must be appropriately planned and positioned among wider reform initiatives planned and under way across the Organization. Interdependencies with other initiatives, including their purpose and timeline, will be a key element of effective change management. The project team will continue to work closely with the other reform initiatives to ensure that prioritization and sequencing of transformative initiatives is considered.

2. High-level implementation plan

86. The global service delivery model will begin implementation in early 2019. Shared service centres will be implemented using a phased approach, with all four locations planned to be established by the end of 2019 (see figure X).

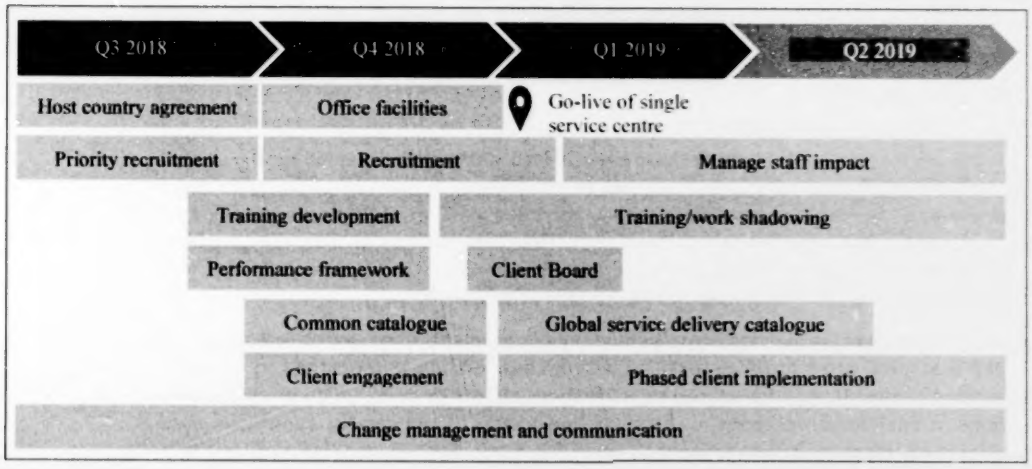
Figure X
High-level implementation timeline and activities



Abbreviations: Q1, first quarter; Q2, second quarter; Q3, third quarter; Q4, fourth quarter.

87. Each shared service centre will manage the implementation of its own transition plan. An example of such a plan is illustrated in figure XI.

Figure XI
Example of implementation timeline and activities



Abbreviations: Q1, first quarter; Q2, second quarter; Q3, third quarter; Q4, fourth quarter.

88. The activities outlined above include the finalization of host country agreements in recommended locations and subsequent establishment of office facilities in the country. It is likely that some temporary office accommodation may be required until

permanent office space is obtained. This would also include fitting out offices and setting up information technology needs. Recruitment of priority staff would also be undertaken in the early stages to ensure leadership and other key positions are filled as early as possible to assist in the establishment of the shared service centre. Recruitment for other positions would utilize outreach methods, including social media channels, career fairs, local job boards and other relevant local sources such as newspapers and radio.

89. A detailed learning plan has been developed to ensure availability of the critical skills and behaviours necessary to enable all staff to operate effectively in their new environment, including facilitating the shift towards a client-oriented, continuous improvement culture. At the launch of the shared service centre, training will be used to clarify roles, responsibilities and service expectations. Training and work shadowing opportunities will be made available to ensure that the staff of the centres gain the appropriate operational experience from subject matter experts. To ensure adequate capacity development in the centres, the implementation plan includes the temporary assignment of teams of experienced transactional staff in each location for a period of 12 to 24 months from the start-up of each centre. Table 6 outlines the size of the implementation teams compared with new staff in the Global Shared Service Centres.

Table 6
Requirements for experienced transactional staff to support transition

	Global Shared Service Centre staff Years one and two[a]		*Implementation staff*
Function	*Locally recruited staff (General Service and National Professional Officers)*	*International staff (P-3)*	*Experienced staff on temporary assignment (P-3)*
Human resources administration	200	20	40
Payroll	77	–	20
Accounts payable	193	–	30
Total	**470**	**20**	**90**

[a] Global Shared Service Centre staffing in years one and two corresponds to the staffing levels for General Service and team leader staff shown in table 4.

90. The experienced staff will provide training, production support and on-the-job coaching for new staff. Some of these experienced staff will be retained for the second year of operation to ensure that the centres retain capacity to manage complex cases and support the development of nationally recruited staff. In addition, it is anticipated that existing functions will not ramp down until at least one month after the transition of all functions, apart from payroll for which support from experienced staff will remain in place for a minimum of two months after transition.

91. The transition plan will also include the requirements that need to be considered and measured prior to the roll-out of a service or adding a new client to a shared service centre. It may be appropriate for some clients to consolidate or restructure transactional functions prior to the transition to the shared service centre, so as to effectively manage the impact on their other functions. Specific readiness criteria will be developed and monitored across the following categories:

(a) People (e.g. staff knowledge, skills and awareness);

(b) Process (e.g. design, testing and transition);

(c) Organization (e.g. resistance to new processes or ways of working by shared service centre clients);

(d) Resources (systems).

92. This will help to identify where any additional preparatory work is required to support the transition, for example through additional capacity development and communication. Additional change and communication strategies are outlined in section IV.E.

B. Organizational impact

93. The implementation of the global service delivery model will affect the delivery of administrative services across the Secretariat and will have a direct impact on existing shared service and back office arrangements for the field. It is envisaged that many of the functions and roles will eventually be transitioned to the Global Shared Service Centres. During the first phase of implementation scheduled for 2019, however, there are a number of services that fall outside the scope of the global service delivery model which must continue to be provided (some travel functions, administering consultants and cashier functions). These functions will be incorporated into the global service delivery model during subsequent phases.

94. Similarly, United Nations Headquarters, offices away from Headquarters and the regional commissions currently provide other administrative services to their clients beyond those functions that will move to the global service delivery model in 2019. It is imperative that these offices provide sufficient resources to the shared service centre and at the same time are adequately resourced to continue to provide the remaining services that their clients expect. In addition, mechanisms must be put in place to ensure local clients of offices away from Headquarters and the regional commissions know exactly where and how to deal with any future issues they may face (i.e. which issues fall within the purview of the administration of the offices away from Headquarters and the regional commissions and which issues fall within the purview of the Global Shared Service Centres).

95. Lessons learned from the experiences of existing operations, as well as the knowledge of existing staff, should be effectively transferred to the new shared service centres, both through the transfer of qualified staff and by leveraging experienced staff to support capacity-building during the transition. It will be critical to appropriately manage the transition of service delivery to the global service delivery model, particularly within the accelerated implementation timeline.

C. Staff mitigation measures

96. The implementation of a new delivery model for administrative support services will affect staff across the Organization to varying degrees. After a period of stabilization and subject to a full review of the Secretariat administrative architecture, it may be found that some administrative capacity may become redundant after consolidation within and across duty stations, while other administrative functions may change and new ones may be needed, thus requiring staff to learn new or different skill sets. Recognizing the significance of the impact of the implementation of the new global service delivery model on staff, the following mitigating measures are foreseen.

97. The Organization's policy on managing restructuring, including downsizing, will guide decisions and actions that will be taken with regard to staff affected by abolition of posts or the reduction of staff resulting from the implementation of the

global service delivery model and who could be subject to separation from service or termination.

98. Furthermore, comparative reviews will be conducted to identify staff negatively affected; the recruitment, lateral reassignment and transfer of affected staff in administrative functions will be undertaken with a view to maximizing retention and minimizing separation or termination of such staff, through: (a) strengthening workforce planning to identify suitable unencumbered positions to which affected staff members could be laterally reassigned within their duty station or, for internationally recruited staff, transferred between duty stations; (b) freezing external recruitment for staff in the General Service category to prevent increasing the potential number of separations or terminations required; (c) giving priority consideration to internal candidates who are affected staff members when they apply to job openings, in line with the Organization's long-standing policy for staff in entities affected by downsizing; (d) offering the possibility of temporary assignment for affected staff, where appropriate, for up to six months in accordance with the Staff Regulations and Rules of the United Nations; (e) subject to suitability and availability of positions, offering transfers to the new service centres to internationally recruited affected staff.

99. Training plans and activities will be developed to allow for on-the-job training and coaching, with time allocated for staff to learn and become proficient in new functions, as necessary. An accelerated training strategy and programme for new local staff members in shared service centre locations will be implemented and the Organization will ensure training is delivered by highly knowledgeable and experienced staff. The Organization will ensure that capacity is also provided for the provision of stress and career counselling services to support staff during the transition period.

100. To further minimize the number of potential separations or terminations and their related financial implications, the Secretariat will first endeavour: (a) not to retain staff members beyond the mandatory age of separation; (b) not to extend secondments and temporary assignments from other entities; (c) not to renew the contracts of temporary appointees and fixed-term appointees with service limitations; and (d) allow for placement on special leave without pay of affected staff (in lieu of immediate separation or termination) for a period of up to two years to provide them with additional time to be chosen for a potential lateral reassignment or to be selected against a vacant position. If needed, the Secretary-General will consider offering a separation package to affected staff in accordance with the Staff Regulations and Rules to avoid involuntary separations and limit the risk of additional financial costs arising from potential protracted litigation.

101. Throughout the transition period to the new model, management will stay engaged in a continuous and proactive dialogue with staff representatives to ensure that: (a) the restructuring and downsizing exercise is conducted in a transparent, fair and equitable manner and in compliance with the established regulatory framework; (b) the utmost consideration is applied to minimize the negative impact on staff [as agreed upon during prior staff management consultations]; and (c) effective ongoing communication takes place between management and staff.

102. Adequate resources will be required for funding the additional needs for recruitment, training, reprofiling and career transition, and the costs of separation and termination of currently serving staff, where unavoidable.

D. Risk framework

103. The global service delivery model is a complex initiative associated with inherent risks, which, if not addressed properly, may affect its effective implementation. A comprehensive risk assessment and management plan is therefore critical to ensure that all envisaged risks are evaluated and that mitigation measures are developed and linked to the underlying processes and activities during the design and implementation of the new model.

1. Methodology

104. As proposed by the Secretary-General in his report contained in document A/71/417, the development of the risk assessment and management plan for the global service delivery model is guided by the methodology of the enterprise risk management framework of the Secretariat. It is also tailored to reflect the context of the global service delivery model, drawing upon experience and knowledge within the Secretariat and upon lessons learned from United Nations system entities that have implemented shared service centres. Accordingly, the risk management process for the global service delivery model consists of three stages:

- **Stage 1**. Conduct a risk assessment, including risk identification, risk analysis and risk evaluation. Risk identification is the process of identifying potential events that could prevent or delay the implementation of the global service delivery model, or lead to different results than those planned. Identified risks will then be analysed and measured according to the scale of perceived impact, likelihood and level of existing controls. Critical risks that could have a significant impact on the project have been prioritized through risk evaluation in order to determine which ones need active mitigation and monitoring.
- **Stage 2**. Once the risk assessment is completed, risk mitigation is initiated to identify and implement proactive measures to mitigate or modify risks. Risk mitigation measures have been integrated into the design and implementation of the global service delivery model to reduce the likelihood and impact of risks.
- **Stage 3**. Continuous monitoring and review of risk assessment and risk mitigation are necessary throughout the design and implementation of the global service delivery model. Ongoing communication and consultations with all relevant stakeholders are key activities for maintaining the effectiveness and relevance of the risk management process.

2. Major risk areas

105. The project team conducted an initial risk assessment to identify risks associated with both the global service delivery project and the Global Shared Service Centres after their establishment, taking into account common risks and lessons learned from existing shared service centres of United Nations system entities. The assessment identified five major risk areas:

(a) **Stakeholder buy-in**. This addresses the possibility of a lack of buy-in among key stakeholders, including managers and staff members, and a tendency to resist change or to maintain the status quo, leading to delay in the implementation of the global service delivery model. Mitigation measures include a comprehensive change management and communication strategy to support and prepare managers and staff throughout the changes, including adequate training and proactive and frequent communication that are aligned with key project milestones;

(b) **Impact on staff**. The establishment of the Global Shared Service Centres will affect staff to varying degrees. Potential mitigation measures include workforce planning, reprofiling of positions, career support and staff training;

(c) **Operational risk**. The Global Shared Service Centres will need to be adequately resourced so that clients can expect to receive equal or better service. Specifically, it would be imperative to adequately staff the service centres with the right number of staff with the right skill sets and the right staff composition. Experience from the Secretariat's implementation of service centres has shown that not addressing and mitigating these risks potentially jeopardizes the quality of service provided by the service centres. Potential mitigation measures to address operational risk include an implementation plan that incorporates the following elements: a double occupancy at both the existing locations and the service centres as part of the handover; an experienced transitional support staff to support stabilization and capacity-building at the service centres; an effective client relationship management tool; and a focused training strategy to train service centre personnel;

(d) **Implementation risk**. It will be critical to closely and collaboratively manage the implementation given its proposed timeline. To address and mitigate implementation risk, the implementation and transition plan has been developed as outlined in section IV.A and is supplemented by the change management strategy as outlined in section IV.E;

(e) **Inadequate institutional performance of shared service centre operations**. This risk includes the inadequate performance of systemic mechanisms to manage and monitor performance and respond to client feedback. Potential mitigation measures include the establishment of the global service delivery model Client Board and of a series of performance management measures and related key performance indicators to enable the Global Shared Service Centres to better serve their clients and meet the targets.

3. Risk management

106. Risks are dynamic and will change over time. An active risk management process will be established to reassess the risk environment on a periodic basis. To facilitate this process, a risk register for the global service delivery model was developed and will be regularly reviewed and updated as required. The risk register includes risk definitions, key risk drivers, risk owners, existing control measures and potential mitigation strategies. The register is managed centrally by the global service delivery model project team on an ongoing basis and will be handed over to the Global Shared Service Centres after they go live. Comprehensive risk treatment and response plans will be developed and implemented for key risk areas, in consultation and collaboration with the risk owners. Thereafter, the lessons learned will be identified and an assessment will be made of what additional work may be required to strengthen the application of the risk framework in the global service delivery model.

E. Change management

107. The implementation of the global service delivery model, including the introduction of shared services for many parts of the Organization, comes with the challenges related to transforming processes, technology, culture and, most importantly, people's roles and responsibilities. For the administrative function, transitioning to the delivery of in-scope services from a shared service centre, working within a client-oriented culture based on common processes and facilitated through a client relationship management application, is a significant change. For the wider Organization, moving service delivery away from local offices to new

locations, and for the residual parts of the Organization the subsequent shift in focus towards more efficiently and effectively supporting normative and operational activities, requires a well-planned and executed change management and communication strategy to enable success.

108. An overarching change management strategy for the global service delivery model establishes the foundation for change that will help to guide the model towards a shared vision for the future delivery of administrative support services across the Secretariat. The strategy is supplemented by a change action plan containing the specific initiatives that will minimize the impact on people and operations and optimize available resources. The strategy will ensure the right frameworks, measures and processes are in place to ensure:

(a) The global service delivery model vision is clear and compelling, communicated consistently and shared by all;

(b) The project retains a balanced emphasis on the people aspects (such as job design, training and communication) alongside those of process and technology;

(c) Wider transition activities are appropriately planned so that staff and resources are engaged at the relevant time throughout the roll-out;

(d) Change is utilized as a positive force to engage staff across the Organization, highlight learning opportunities and encourage the cultural shift required towards increased self-service and client service orientation;

(e) Effective stakeholder engagement is promoted to help increase the probability of project success by ensuring that stakeholders clearly understand the project goals, objectives, benefits and risks.

109. This process takes a holistic view of all the components necessary to embed and sustain change and will regularly measure the progress made in implementing the changes and making corrective adjustments as required, so as to realign people towards the desired future vision. The change action plan will include a comprehensive communication plan to ensure appropriate buy-in to a new service delivery model. Communication activities, tools and messages will differ at each stage of implementation and will be informed by detailed stakeholder analysis. Appropriate management strategies will be developed to effectively engage each stakeholder group based on their unique needs and interests and their potential impact on the success of the global service delivery model. Stakeholder management strategies will consider how to best utilize existing networks, relationships and relevant activities to ensure coordination and avoid duplication. These will include:

(a) Town hall meetings, briefings and stakeholder events such as regular open clinic hours (for example using video- and teleconferences);

(b) Working groups, workshops and reference groups;

(c) Factsheets, regular newsletters and iSeek pages, including frequently asked questions/answers;

(d) Regular client site visits to boost interpersonal relationships and staff morale and help determine if the Global Shared Service Centres are working as efficiently as anticipated;

(e) Regular performance reviews and reports, including stakeholder feedback mechanisms as outlined in section III.D above.

110. Local client engagement will be pursued through the interim client support structures established in offices away from Headquarters and the regional commissions. A regular review process will be established to ensure effectiveness of

stakeholder engagement methods and to continually learn from stakeholder engagement experiences.

V. Summary of budget implications

111. The present section outlines the resource requirements for the implementation of the global service delivery model for the biennium 2018–2019. Specifically, it contains the resource requirements for 2019 to support the ongoing operations of the Global Shared Service Centres, consisting of staff costs and operational costs derived from logistical requirements to operate the Global Shared Service Centres. In addition, one-time start-up costs would be required for the period from July 2018 through 2019 and early 2020 to enable the phased launches of the individual centres in 2019 (see sect. V.A.2).

A. Resource requirements

1. Recurrent resource requirements to support the ongoing operations of the Global Shared Service Centres for the period from July 2018 to December 2019

112. The amount of $18,899,700 would provide for the costs of the proposed 684 posts for all service centres, as well as non-post resources for 61 general temporary assistance positions and other operational requirements to support the ongoing operations of the Global Shared Service Centres for the period from July 2018 to December 2019. A detailed breakdown of the resource requirements for each service centre is outlined below and also provided in annex IV to the present report. Recurrent requirements amount to:

(a) **Office of the Director, Global Shared Services**. The amount of $2,695,700 would provide for 27 posts starting from July 2018, based on the implementation plan, as well as non-post resources for operational requirements to support the recruitment and start-up of the Global Shared Service Centres;

(b) **Shared service centre A**. The amount of $5,929,000 would provide for 188 posts to be established starting from July 2018, based on the implementation plan, to support the recruitment and start-up of the shared service centre, as well as non-post resources for operational requirements of the centre;

(c) **Shared service centre B**. The amount of $4,537,800 would provide for 152 posts to be established starting from September 2018, based on the implementation plan, as well as non-post resources for operational requirements of the centre;

(d) **Shared service centre C**. The amount of $3,000,500 would provide for 171 posts to be established starting from February 2019, based on the implementation plan, as well as non-post resources for operational requirements of the centre;

(e) **Shared service centre D**. The amount of $2,736,700 would provide for 146 posts to be established starting from May 2019, based on the implementation plan, as well as non-post resources for operational requirements of the centre.

2. Non-recurrent resource requirements

113. Non-recurrent resource requirements amounting to $29,135,000 would be required for the period from July 2018 through 2019 and early 2020 to support the start-up of the service centres. A detailed breakdown of the costs is reflected in annex IV of the present report.

B. Distribution of resource requirements

114. As the global service delivery model encompasses administrative support services across the Secretariat, due consideration has been given to the appropriate sources of funding for the service centres. In this connection, it is proposed that the Global Shared Service Centres be jointly financed by the regular budget, the peacekeeping budget and extrabudgetary resources and that the distribution of resource requirements across the three funding sources be based on workload indicators for the services provided by funding source. Workload indicators are calculated based on transactional volumes and established work effort standards for specific transaction types and may be updated every year. For example, the workload indicators for human resources administration services and payroll services are based on the work efforts required to service the number of personnel, taking into account the complexity of services provided. Similarly, the workload indicators for accounts payable are based on the work effort required to process the annual volume of transactions. Such an arrangement would ensure that the contributions from the regular budget, the peacekeeping budget and extrabudgetary resources reflect the overall level of services provided by the Global Shared Service Centres to the clients.

115. The estimated requirements as indicated in sections V.A.1 and V.A.2 would be distributed as indicated in tables 7 and 8.

Table 7
Summary of recurrent resource requirements to support the ongoing operations of the Global Shared Service Centres for 2019

(Thousands of United States dollars)

Source of funds	*2018–2019 estimates*
Regular budget	5 291 916
Support account for peacekeeping operations	9 638 847
Extrabudgetary	3 968 937
Total	**18 899 700**

Table 8
Summary of non-recurrent start-up resource requirements for the biennium 2018–2019

(Thousands of United States dollars)

Source of funds	*2018–2019 estimates*
Regular budget	8 157 800
Support account for peacekeeping operations	14 858 850
Extrabudgetary	6 118 350
Total	**29 135 000**

C. Resource impact on entities of the Secretariat

116. The proposed implementation of the global service delivery model will result in the transfer of administrative transactional functions and the related resources to the Global Shared Service Centres. A total of 684 related posts and general temporary assistance positions have been confirmed by client offices; these posts and positions will be abolished during the course of 2019 and remain in the current locations for

various durations during the course of implementation. Furthermore, additional costs are expected in 2019 in relation to the staff affected by the abolished posts. In this context, no significant reductions in post and non-post costs are expected in 2019 with regard to the client offices, and it is therefore estimated that there would be no financial implications under the regular budget for these client offices for the biennium 2018–2019. Details of the post reductions by budget section and grade level are included in the supplementary information for the present report.

117. The resource impact for the special political missions would be reflected in the context of the respective proposed programme budgets for 2019.

118. As the peacekeeping missions will not be integrated into the global service delivery model until July 2019, there is no immediate impact on the 2018–2019 budgets for peacekeeping missions. The proposed reduction in staffing levels and associated post and non-post costs for peacekeeping operations resulting from the implementation of the global service delivery model will be reflected in the respective budget proposals for peacekeeping and the support account for the period from July 2019 to June 2020.

119. The resource impact outlined above is not expected to have a direct correlation with the resource requirements for the new Global Shared Service Centres, as the funding for the Centres is based on an independent budget and not as a result of a direct transfer of resources from the affected entities.

VI. Recommended action to be taken by the General Assembly

120. **The General Assembly is requested:**

(a) **To take note of the report of the Secretary-General;**

(b) **To approve the establishment and the locations of the global shared service centres effective 1 January 2019;**

(c) **To approve the total budget of the global shared service centres in the amount of $48,034,700 for the biennium 2018–2019 inclusive of 684 posts as presented in annex IV to the present report;**

(d) **To invite the Secretary-General to provide a progress report on the global service delivery model at the main part of the seventy-fourth session of the General Assembly;**

Programme budget

(e) **To abolish 149 posts during the course of 2019, in the respective sections of the regular budget as presented in annex IV to the present report;**

(f) **To appropriate an amount of $13,449,716 under the programme budget for the biennium 2018–2019 under section 29D, Global shared service centres, representing the regular budget share until 31 December 2019;**

(g) **To note that the proposed abolition of 68 posts from the special political missions, as listed in annex IV to the present report, will be considered in the context of the proposed programme budgets for special political missions for 2019;**

Peacekeeping operations

(h) To note that 332 posts will be proposed for abolishment by the respective budget proposals of peacekeeping operations for the financial period from 1 July 2019 to 30 June 2020;

(i) To note that 24 posts funded under the support account for peacekeeping operations are proposed for abolishment by 30 June 2019 in the budget for the support account for peacekeeping operations for the financial period from 1 July 2018 to 30 June 2019;

(j) To note that resource requirements in the amount of $9,905,900 for the costs of start-up and operationalization of the global shared services centres are included in the budget for the support account for peacekeeping operations for the financial period from 1 July 2018 to 30 June 2019;

(k) To note that the share of the peacekeeping operations of the costs of start-up and operationalization of the global shared services centres for the financial period from 1 July 2019 to 30 June 2020 in the amount of $14,591,797 will be included in the proposed budgets for the peacekeeping operations for that period;

Extrabudgetary resources

(l) To note that requirements in the amount of $10,087,287 would be funded from extrabudgetary resources in the period from 1 July 2018 to 31 December 2019 to support the non-recurrent and recurrent resource requirements for the global shared service centres.

Annex I

Lessons learned considered in developing the proposal for the global shared services centres

1. The purpose of the present annex is to capture the lessons learned from similar projects within the United Nations Secretariat and other United Nations entities in a formal manner. These lessons have informed the development of the proposal for the establishment of the global shared service centres and will continue to inform planning related to the global service delivery model project through a review of problems that have previously occurred, how these were handled and how they may be avoided in the future. In addition, the annex considers where other shared service centres have succeeded and the reasons why, so that the global service delivery model may capitalize on those situations.

2. The present annex has been prepared based on the relevant experience of key stakeholders, including heads of administration in offices away from Headquarters and the regional commissions, other United Nations organizations and service providers at United Nations Headquarters. United Nations entities that have implemented administrative shared services and are considered in this analysis include the Food and Agriculture Organization of the United Nations, the United Nations Development Programme, the Office of the United Nations High Commissioner for Refugees, the United Nations Children's Fund, the United Nations Office for Project Services, the World Food Programme and the World Health Organization. It also takes into consideration lessons shared by chiefs of shared service centres within the Department of Field Support (Regional Service Centre in Entebbe, Uganda, and Kuwait Joint Support Office) and recommendations from the Department of Field Support review of shared service support in October 2017. The table below also considers the findings from the Joint Inspection Unit report into the role of shared service centres in redesigning administrative service delivery (JIU/REP/2016/11).

3. Key lessons learned and the consequent implications for the global service delivery model are summarized in the table below.

Category	*Lesson learned*	*Implications for the global services delivery model*
Change management	Stakeholder resistance to shared service concept, particularly from internal clients and policy leaders	Involve clients from early stages so they can assist and help to design the future state of affairs Targeted communication that stresses the gains in effectiveness and efficiency that will come from the change Targeted communication to senior managers to highlight that decision authority is not affected by the establishment of the shared service centres Incorporating representatives from future clients and current service providers in various working groups involved with designing the global service delivery model

Category	*Lesson learned*	*Implications for the global services delivery model*
Change management	The required focus on adequately resourcing the shared service centres, workforce planning, staff training and stakeholder communications as part of the transition to the shared service centre was underestimated	A solid change management strategy needs to be in place to manage the establishment, phasing and maturing of the shared service centres The change management strategy must include stakeholder analysis, including clients, staff and others
Governance	Independence of the shared service centre relative to its reporting structure (away from the client missions it serves)	The shared service centre should be provided an independent budget and have independence in the selection and management of staff
Governance	Any shared service centre steering committee should remain strategic, not operational. Operational level decisions should remain with the shared service centre management	A clear reporting structure for the shared service centre management should be established Authority and accountability among policy leaders and clients should be clearly delineated
Vision	Establishing shared services is a long process that takes years to stabilize and see lasting results	Requires strong, unwavering commitment from senior leadership (Under Secretary-General and Assistant-Secretary-General) to longer-term vision over shorter-term cost savings Consistent communication messaging to key stakeholders covering both long- and short-term priorities and establishing two-way dialogue on concerns regarding implementation and stabilization
Client service	Clients not satisfied by processing timelines, perceived lack of transparency and uncertainty about who to contact in the shared service centre Establishing strong local client support units has resulted in higher staff satisfaction with services provided by shared service centres	Significant organizational shift in client service and continuous improvement approach is required, which proactively addresses issues identified by the Client Board Constant and frequent interaction with clients required, such as site visits and video teleconferences Need for client service orientation training for shared service centre staff Introduction of client relationship management system as an important mechanism to support the effectiveness of the future service delivery model
Performance management	It is difficult to measure the difference in performance from previous operations owing to lack of baseline data	Report baseline performance data (where available from Umoja) and conduct a baseline client satisfaction survey before bringing the functions to the shared service centres

Category	*Lesson learned*	*Implications for the global services delivery model*
Performance management/ governance	Getting governance systems and performance management mechanisms, such as service-level agreements and key performance indicators, to work effectively has been challenging	Establish strong governance arrangements and sign the service-level agreements, including clearly delineating the roles and responsibilities between the shared service centre and its clients, before establishment
Performance management	The lack of investment in tools and systems to support business analytics and reporting has been a serious impediment	End-to-end view of performance management is required, recognizing that stakeholders should be accountable for the parts of the process they control Ensure the reporting capability is built from the outset to avoid spending a lot of resources manually collecting performance data
Staffing	Recruiting and retaining local staff is a challenge reflected in high turnover rates and challenges in loss of institutional knowledge International staff are difficult to recruit and retain because shared service centre work can be perceived as a second-tier, lower-profile assignment "removed from the Organization's lifeblood"	Develop strategies for staff retention, succession planning and career options Consider developing mechanisms for exchange of local staff among United Nations organizations and entities in the same location and periodic rotation of staff between shared service centres and/or headquarters locations so that staff develop wider experience and perspective Location selection to include criteria on availability of skilled local workforce A knowledge management framework will be embedded into the change strategy to ensure appropriate tools are deployed to capture knowledge as the project progresses
Staffing	The "right" workforce was not always transferred to the shared service centre In some instances, staff felt they were transferred involuntarily, resulting in lower morale and productivity, as well as staff seeking opportunities to return as soon as possible to their original location	For international staff, conduct a selection process that is open and transparent. There is a need to ensure that international staff selected to work in the shared service centre want to be there rather than be transferred there without them having any say in the matter
Staffing	Posts should be transferred to the shared service centre in a consolidated, well-planned manner	Facilitate appropriate planning, so that staff and resources are engaged at the relevant time throughout the roll-out
Staffing	Lack of sufficient skill development for staff who are preparing for new roles, including lack of consideration of cultural shifts to new ways of operating	Detailed training plan required for onboarding and developing shared service centre staff Training should not stop at initial roll-out, but rather be integrated into an institutionalized training programme covering relevant functional areas

Category	*Lesson learned*	*Implications for the global services delivery model*
Staffing	Frequent internal communication with staff and an open-door policy with shared service centre management helped to address issues quickly and take decisions fast	Ensure a strong leadership structure is in place and there is continued support for people management in the shared service environment Communication capacity to be included in the structure to facilitate both internal and external communication
Implementation planning	Consolidation of service delivery points and relocation to low cost venues need not be carried out in a single step For example, phased addition of payroll and additional functions to the Kuwait Joint Support Office worked well (i.e. off-cycle payments, education grant processing)	Consider phased implementation approach to improve and standardize processes while building knowledge of staff Transition phases can be determined based on function and/or geography
Implementation planning	Integration with other organization-wide initiatives must be carefully managed to ensure appropriate resourcing of shared service centre is maintained at critical times	Ensure global service delivery model is appropriately planned and positioned among wider reform initiatives Interdependencies with other United Nations initiatives, including their vision, mission and timeline, will be a key element of effective change management for the global service delivery model project Prioritization and sequencing of transformative initiatives should be considered
Client service	A focus on low cost locations has tended to overshadow the opportunities available through business process improvement and consolidation of service delivery	Consider range of criteria when considering shared service centre location, including opportunities for improved service quality, standardization of services, reduced risk and enhanced mission focus
Operations	Client office hosting shared service centre required to be more responsive to process and time frame for delivery of their services	If necessary, execute an operating level agreement with the client office, including assumptions underlying the provision of services
Process	Developing processes has been done in isolation from technology and/or excluding impact on staff roles and responsibilities	Fit-gap analysis required for implementation of process improvements Fractured service delivery with various splits in the processes between the centre and the clients receiving the services should be avoided Processes should be properly understood and tested

Annex II

List of processes by administrative area

The present annex provides a response to the request of the Advisory Committee on Administrative and Budgetary Questions that a comprehensive and detailed inventory covering the totality of 201 processes be provided, clearly identifying those that are to be implemented during each phase of the global service delivery model (A/71/666).

A. Processes to be implemented in 2019

Category	*Process*	*Number of processes*
Human resources	Personnel administration	31
Human resources	Leave management	3
Human resources	Client relationship management	1
Finance	Staff payroll	9
Finance	Accounts payable	4
Finance	General ledger (only for field missions administered by the Department of Field Support)	4
Finance	Cash and liquidity management	2
Finance	Overhead accounting — cost centre accounting (only for field missions administered by the Department of Field Support)	2
Corporate services	Travel advances and claims	2
Corporate services	Travel initiation	2
Total		**60**

B. Processes to be considered for implementation starting from 2020

Category	*Process*	*Number of processes*
Finance	Accounts payable	1
Finance	Cash and liquidity management	4
Finance	Grants management	37
Corporate services	Vendor changes	1
Corporate services	Travel initiation	3
Total		**46**

C. Processes not currently included

Category	*Process*	*Number of processes*
Human resources	Medical and life insurance	1
Human resources	After service insurance	1
Human resources	Human resources services	3
Human resources	Human resources policy	1
Finance	Accounting for specific events and activities — internal orders	6
Finance	Accounts payable	3
Finance	Accounts receivable	6
Finance	Asset accounting	9
Finance	Taxes and insurance	2
Finance	Budget implementation	9
Finance	Bank management	3
Finance	Investment accounting	2
Finance	Treasury and risk management — investments	5
Corporate services	Planning and dispatching	2
Corporate services	Procurement	16
Corporate services	Service management	1
Corporate services	Decommissioning and disposal	2
Corporate services	Equipment maintenance and operations	1
Corporate services	Procurement/facility management/travel	10
Corporate services	Facility management	10
Corporate services	Procurement/travel	1
Corporate services	Travel	1
Total		**95**

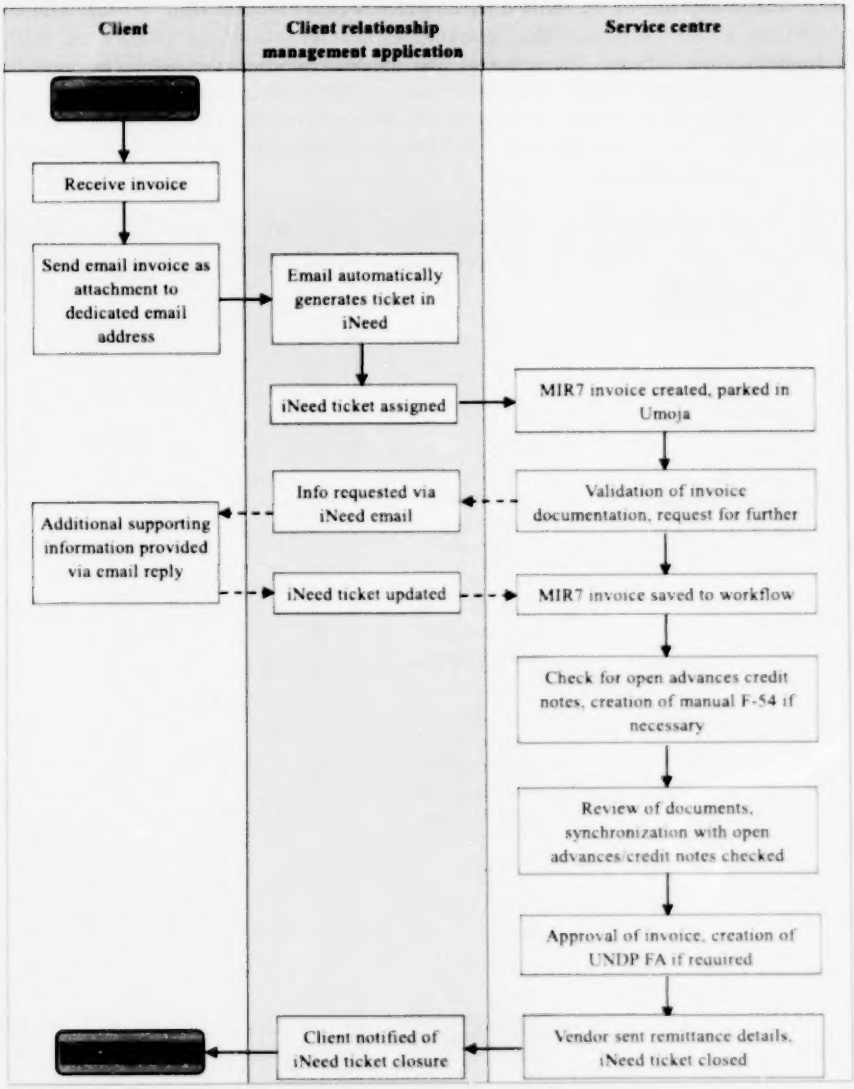
Annex III

Two examples of service provision

1. The purpose of the present annex is to provide further explanation of how a number of administrative processes would be provided using the global service delivery model, in particular highlighting the relationship and handover point between the client and the shared service centre.

2. The process involves a client, who submits the invoice, and shared service centre transactional staff, who process the invoice. Their interaction is facilitated through the customer relationship management application. The process is considered complete when the invoice has been paid, the vendor has been sent remittance details and the client has been notified.

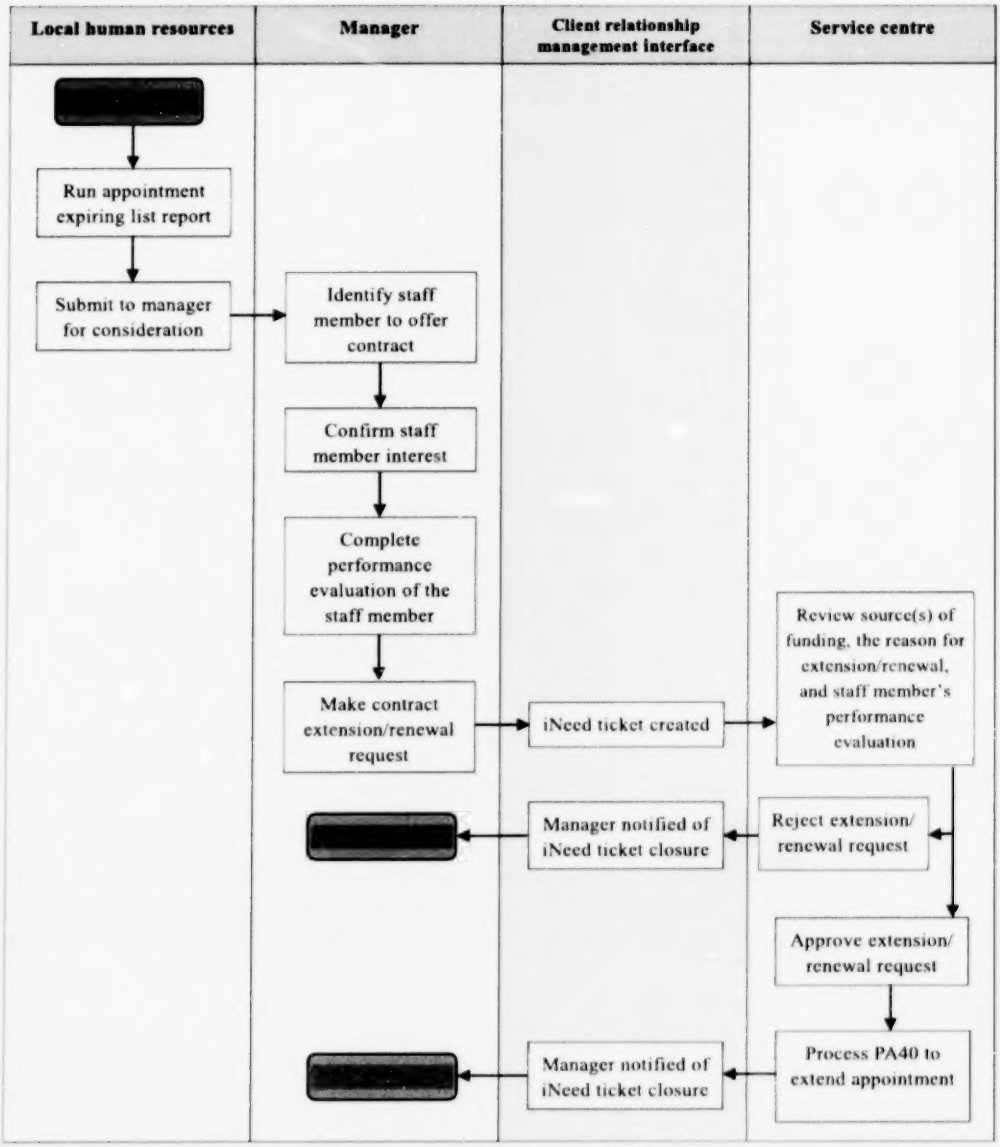
Invoice processing


Client
Client relationship management application
Service centre
Receive invoice
Send email invoice as attachment to dedicated email address
Email automatically generates ticket in iNeed
iNeed ticket assigned
MIR7 invoice created, parked in Umoja
Info requested via iNeed email
Validation of invoice documentation, request for further
Additional supporting information provided via email reply
iNeed ticket updated
MIR7 invoice saved to workflow
Check for open advances credit notes, creation of manual F-54 if necessary
Review of documents, synchronization with open advances/credit notes checked
Approval of invoice, creation of UNDP FA if required
Client notified of iNeed ticket closure
Vendor sent remittance details, iNeed ticket closed

Abbreviations: MIRY, code for processing invoices with a purchase order; F-54, code for the reclassification of posting limited to the amount expended; FA, financial authorization; UNDP, United Nations Development Programme.

Individual contract extension

3. The extension of an individual contract requires action from a local human resources partner, the individual's manager, and the shared service centre staff. Communication between the manager and human resources partner in the service centre is facilitated through the client relationship management application. This process is considered complete when the contract extension request has been either approved or rejected, the necessary paperwork has been processed and the decision has been communicated.


Local human resources
Manager
Client relationship management interface
Service centre
Run appointment expiring list report
Submit to manager for consideration
Identify staff member to offer contract
Confirm staff member interest
Complete performance evaluation of the staff member
Make contract extension/renewal request
iNeed ticket created
Review source(s) of funding, the reason for extension/renewal, and staff member's performance evaluation
Reject extension/ renewal request
Manager notified of iNeed ticket closure
Approve extension/ renewal request
Process PA40 to extend appointment
Manager notified of iNeed ticket closure

Abbreviation: PA40, code for creating personnel actions.

Annex IV

Revised estimates related to the proposed implementation of the global service delivery model

1. The global shared service centres would be responsible for the implementation of the programme of work under this subsection. The activities for which the centres are responsible fall under programme 25, Management and support services, of the biennial programme plan for the period 2018–2019.

Overview of resources

2. The overall resources proposed for the biennium 2018–2019 for this section amount to $48,034,700 for the full budget, which will be jointly funded from the regular budget, peacekeeping budget and extrabudgetary resources. The distribution of resources is reflected in the tables below.

Table 1
Full budget resources by component and source of funds

(Thousands of United States dollars)

Component	*Regular budget*[a]	*Other assessed*[b]	*Extrabudgetary*[c]	*Total*
A. Executive direction and management	8 912.6	16 233.7	6 684.4	31 830.7
B. Programme of work				
(a) Shared service centre A	1 660.1	3 023.8	1 245.1	5 929.0
(b) Shared service centre B	1 270.6	2 314.3	952.9	4 537.8
(c) Shared service centre C	840.1	1 530.3	630.1	3 000.5
(d) Shared service centre D	766.3	1 395.7	574.7	2 736.7
Total	**13 449.7**	**24 497.8**	**10 087.2**	**48 034.7**

[a] The total amount of $13,449,716, representing the regular budget share of the resource requirements of the global shared service centres, would be reflected in section 29D, Global shared service centres, under grants and contributions.

[b] Resource requirements financed exclusively by the peacekeeping budget.

[c] Resource requirements financed from extrabudgetary resources derived from programme support income received as reimbursement for support to extrabudgetary administrative structures.

Table 2
Full budget post resources by component

Category	*Executive direction and management*	*Shared service centre A*	*Shared service centre B*	*Shared service centre C*	*Shared service centre D*	*Total*
Professional and higher categories						
D-2	1	–	–	–	–	1
D-1	–	1	1	1	1	4
P-5	2	2	2	–	–	6
P-4/3	5	19	13	13	13	63
P-2/1	3	–	–	–	–	3
Subtotal	**11**	**22**	**16**	**14**	**14**	**77**

Category	*Executive direction and management*	*Shared service centre A*	*Shared service centre B*	*Shared service centre C*	*Shared service centre D*	*Total*
General Service						
Other level	–	5	2	–	8	15
Subtotal	**–**	**5**	**2**	**–**	**8**	**15**
National staff						
National Professional Officer	7	7	15	10	8	47
Local level	9	154	119	147	116	545
Subtotal	**16**	**161**	**134**	**157**	**124**	**592**
Total	**27**	**188**	**152**	**171**	**146**	**684**

Executive direction and management

Resource requirements: $31,830,700

3. The Director, Global Shared Services, will be responsible for providing overall guidance and management oversight for operations across the global shared service centres. He or she will set near- and long-term strategic direction for service delivery and ensure alignment with objectives and business planning for shared services. He or she will also drive standardization of shared service operations and will be fully accountable for service quality and continuous improvement. In addition, he or she will serve as the leadership interfacing with senior management and policy owners and as the focal point for the integration of all aspects of the work of the global shared service centres. The Office of the Director, Global Shared Services, will be supported by the Operational Monitoring Unit, the Process Optimization Section, the Staff and Client Training Unit and the Client Engagement Unit. The chiefs of the shared service centres will report directly to the Director, Global Shared Services.

Table 3
Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures

Objective of the Organization: To ensure full implementation of legislative mandates and compliance with United Nations policies and procedures with respect to the management and operations of the global shared service centres

Expected accomplishments of the Secretariat	*Indicators of achievement*		*Performance measures* 2018–2019	2016–2017	2014–2015	2012–2013
(a) Effective and efficient management of the programme of work in the area of human resources administration, payroll, accounts payable and other services provided by the service centres	(i) Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
	(ii) Percentage of respondents providing a positive assessment on the timeliness and quality of the services	Target	90			
		Estimate				
		Actual				
(b) Timely submission of documentation needed for meetings of relevant intergovernmental bodies	Percentage of timely submission of documentation	Target	100			
		Estimate				
		Actual				
(c) Efficiencies achieved in travel costs for the Organization	Percentage of air tickets purchased at least two weeks before the commencement of travel	Target	100			
		Estimate				
		Actual				

External factors

4. The objectives and expected accomplishments are expected to be achieved on the assumption that: (a) stakeholders fulfil their responsibilities and obligations under service agreements and are supportive of the efforts of, and extend full cooperation to, the global shared service centres; and (b) internal and external meetings are scheduled at least three weeks in advance to allow air travel tickets to be purchased at least two weeks before the commencement of travel.

Outputs

5. During the biennium 2018–2019, the following outputs will be delivered under executive direction and management (regular budget, other assessed and extrabudgetary):

Table 4
Categories of outputs and final outputs

Outputs	*Quantity*[a]
Administrative support services (regular budget, other assessed and extrabudgetary)	
Overall management	
1. Monitoring and coordination of activities concerning management of the financial, human, physical and information and communications technology resources of the global shared service centres	1
2. Strategic guidance and management oversight concerning the operations of the global shared service centres	1
3. Reports of performance of the shared service centres against the key performance indicators	12
4. Development of training materials for service centre staff	1
5. Organization of training activities for service centre staff	24

[a] Outputs are based on a one-year estimate for 2019 as service centre A will not start operations until January 2019.

6. The distribution of resources for executive direction and management is reflected in table 5.

Table 5
Resource requirements: executive direction and management

	2018–2019 estimate	*Posts*
Post	1 772.0	27
Non-post	30 058.7	–
Total	**31 830.7**	**27**

7. Total resources in the amount of $31,830,700 would provide for 27 posts (1 D-2, 2 P-5, 5 P-4/P-3, 3 P-2, 7 National Professional Officer and 9 Local level ($1,772,000)), starting from July 2018 based on the implementation plan, to support the proposed implementation of the global service delivery model for the biennium 2018–2019.

8. Non-post resources amounting to $30,058,700 include recurrent ($923,700) and non-recurrent start-up resource requirements ($29,135,000) as reflected in section 29D under grants and contributions.

9. Out of the total resources amounting to $31,830,700, the amount of $8,912,600 represents the regular budget share of the resource requirements proposed under executive direction and management.

Programme of work

10. The distribution of resources by component is reflected in table 6.

Table 6
Resource requirements by component

(Thousands of United States dollars)

Component	*2018–2019 estimate*
B. Programme of work	
(a) Service centre A	5 929.0
(b) Service centre B	4 537.8
(c) Service centre C	3 000.5
(d) Service centre D	2 736.7
Total	**16 204.0**

Shared service centre A

Resource requirements: $5,929,000

Table 7
Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures

Objective of the Organization: To ensure effective and efficient administrative transactional and support services to clients and to optimize business processes to achieve greater efficiency

Expected accomplishments of the Secretariat	*Indicators of achievement*		*Performance measures* 2018–2019	2016–2017	2014–2015	2012–2013
(a) Efficient and effective support for the service centre	Percentage of satisfaction with the support services provided	Target	90			
		Estimate				
		Actual				
(b) Efficient and effective human resources administration services	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(c) Efficient and effective finance services	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(d) Efficient and effective client support services	Percentage of client satisfaction with the time to resolve client queries	Target	90			
		Estimate				
		Actual				

External factors

11. The objectives and expected accomplishments are expected to be achieved on the assumption that: (a) there are no major policy changes that affect the scope of services offered by the shared service centres; (b) relevant information is complete and is submitted for processing without delay; (c) there are no major outages or malfunctions in the computerized systems, including Umoja; and (d) there are no sudden or unexpected political, economic or technological incidents that adversely affect the operations of the shared service centres.

12. During the biennium 2018–2019, the following outputs and services will be delivered by shared service centre A (regular budget, other assessed and extrabudgetary):

Table 8
Categories of outputs and final outputs

Outputs	*Quantity*
Support for the shared service centre	
Provision of recruitment, budget and common services to the shared service centre	1
Implementation of recommendations of oversight bodies	1
Monitoring of shared service centre performance	1

Outputs	*Quantity*[a]
Information for and responses to the Board of Auditors on matters related to shared service centre operations	1
Human resources administration services	
Appointments and onboarding services	2 000
Renewal of appointments	4 000
Movement of staff within the Organization	950
Separations and terminations (including agreed terminations and disability)	2 000
Processing of staff entitlements	15 000
Time management requiring approval by human resources (certified sick leave, special leave with/without pay, maternity/paternity leave, danger pay, etc.)	12 000
Coordination of human resources administration related tasks within Umoja	1
Processing of entitlement travel requests (home leave, education grant travel, etc.)	12 000
Payroll services	
Monthly payment of salaries and related allowances and other benefits (number of staff per month)	24 000
Payments to staff upon separation from the Organization (number of staff)	2 000
Off-cycle payments (including education grant, relocation grant, travel advances and claims, payment for shipping of personal effects, residential security payments, etc.) (number of requests)	12 000
Overall coordination of payroll related tasks within Umoja	1
Client support services	
Annual client satisfaction survey	1

[a] Outputs are based on a one-year estimate for 2019 as service centre A will not start operations until January 2019.

Table 9
Resource requirements: shared service centre A

	2018–2019 estimate	*Posts*
Post	5 071.5	188
Non-post	857.5	–
Total	**5 929.0**	**188**

13. Total resources in the amount of $5,929,000 would provide for 188 posts (1 D-1, 2 P-5, 19 P-4/P-3, 5 General Service (Other level), 7 National Professional Officer and 154 Local level ($5,071,500)) to be established starting from July 2018, based on the implementation plan, to support the proposed implementation of the global service delivery model for the biennium 2018–2019.

14. Non-post resources amount to $857,500 as reflected in section 29D under grants and contributions.

15. Out of the total resources amounting to $5,929,000, the amount of $1,660,100 represents the regular budget share of the resource requirements proposed under service centre A.

Shared service centre B

Resource requirements: $4,537,800

Table 10
Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures

Objective of the Organization: To ensure effective and efficient administrative transactional and support services to clients and to optimize business processes to achieve greater efficiency

Expected accomplishments of the Secretariat	*Indicators of achievement*		*Performance measures*			
			2018–2019	*2016–2017*	*2014–2015*	*2012–2013*
(a) Efficient and effective support for the shared service centre	Percentage of satisfaction with the support services provided	Target	90			
		Estimate				
		Actual				
(b) Efficient and effective finance services to clients	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(c) Efficient and effective client support services	Percentage of client satisfaction with the time to resolve client queries	Target	90			
		Estimate				
		Actual				

External factors

16. The objectives and expected accomplishments are expected to be achieved on the assumption that: (a) there are no major policy changes that affect the scope of services offered by the shared service centres; (b) relevant information is complete and is submitted for processing without delay; (c) there are no major outages or malfunctions in the computerized systems, including Umoja; and (d) there are no sudden or unexpected political, economic or technological incidents that adversely affect the operations of the service centres.

Outputs

17. During the biennium 2018–2019, the following outputs and services will be delivered by shared service centre B (regular budget, other assessed and extrabudgetary):

Table 11
Categories of outputs and final outputs

Outputs	*Quantity*
Support for the shared service centre	
Provision of recruitment, budget and common services to the shared service centre	1
Implementation of recommendations of oversight bodies	1
Monitoring of shared service centre performance	1
Information for and responses to the Board of Auditors on matters related to payroll and accounts payable	1
Accounts payable services	
Payments to vendors and other contractors (number of invoices)	67 500

Output	Quantity*
Coordination of accounts payable related tasks within Umoja	1
Field finance services	
Provision of monthly financial reports	12
Performance of yearly closing of accounts and submission of related financial statements for peacekeeping operations and special political missions to United Nations Headquarters	1
Client support services	
Annual client satisfaction survey	1

* Outputs are based on estimates for a nine-month period in 2019 as service centre B will not start operations until April 2019.

Table 12
Resource requirements for shared service centre B

(Thousands of United States dollars)

	2018–2019 estimate	*Posts*
Post	3 814.8	152
Non-post	723.0	–
Total	**4 537.8**	**152**

18. Total resources in the amount of $4,537,800 would provide for 152 posts (1 D-1, 2 P-5, 13 P-4/P-3, 2 General Service (Other level), 15 National Professional Officer and 119 Local level ($3,814,800)) to be established starting from September 2018, based on the implementation plan, to support the proposed implementation of the global service delivery model for the biennium 2018–2019.

19. Non-post resources amount to $723,000 as reflected in section 29D under grants and contributions.

20. Out of the total resources amounting to $4,537,800, the amount of $1,270,600 represents the regular budget share of the resource requirements proposed under service centre B.

Shared service centre C

Resource requirements: $3,000,500

Table 13
Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures

Objective of the Organization: To ensure effective and efficient administrative transactional and support services to clients and to optimize business processes to achieve greater efficiency

Expected accomplishments of the Secretariat	*Indicators of achievement*		*Performance measures*			
			2018–2019	*2016–2017*	*2014–2015*	*2012–2013*
(a) Efficient and effective support for the shared service centre	Percentage of satisfaction with the support services provided	Target	90			
		Estimate				
		Actual				
(b) Efficient and effective human resources administration services to clients	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(c) Efficient and effective finance services to clients	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(d) Efficient and effective travel services to clients	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(e) Efficient and effective client support services	Percentage of client satisfaction with the time to resolve client queries	Target	90			
		Estimate				
		Actual				

External factors

21. The objectives and expected accomplishments are expected to be achieved on the assumption that: (a) there are no major policy changes that affect the scope of services offered by the shared service centres; (b) relevant information is complete and is submitted for processing without delay; (c) there are no major outages or malfunctions in the computerized systems, including Umoja; and (d) there are no sudden or unexpected political, economic or technological incidents that adversely affect the operations of the service centres.

Outputs

22. During the biennium 2018–2019, the following outputs and services will be delivered (regular budget, other assessed and extrabudgetary):

Table 14
Categories of outputs and final outputs

Outputs	*Quantity*[a]
Support for the shared service centre	
Provision of recruitment, budget and common services to the shared service centre	3
Implementation of recommendations of oversight bodies	1
Monitoring of shared service centre performance	1
Information for and responses to the Board of Auditors on matters related to payroll and accounts payable	1
Human resources administration services	
Appointments and onboarding services	800
Renewal of appointments	2 000
Movement of staff within the Organization	175
Separations and terminations (including agreed terminations and disability)	500
Processing of staff entitlements	2 500
Time management requiring approval by human resources (certified sick leave, special leave with/without pay, maternity/paternity leave, danger pay, etc.)	3 000
Coordination of human resources administration related tasks within Umoja	1
Processing of entitlement travel requests	900
Payroll services	
Monthly payment of salaries and related allowances and other benefits (number of staff per month)	12 000
Payments to staff upon separation from the Organization (number of staff)	500
Off-cycle payments (including education grant, relocation grant, travel advances and claims, payment for shipping of personal effects, residential security payments, etc.) (number of requests)	3 000
Accounts payable services	
Payments to vendors and other contractors (number of invoices)	47 500
Coordination of accounts payable related tasks within Umoja	1
Specialized global operations teams	
Calculation of travel lump sum for entitlement travel	3 900
Provision of monthly bank reconciliation reports	6
Clearing of open receivable documents requiring manual netting	1 500
Client support services	
Annual client satisfaction survey	1

[a] Outputs are based on estimates for a six-month period in 2019 as service centre C will not start operations until July 2019

Table 15
Resource requirements for shared service centre C

	2018–2019 estimate	*Posts*
Post	1 728.9	171
Non-post	1 271.6	–
Total	**3 000.5**	**171**

23. Total resources in the amount of $3,000,500 would provide for 171 posts (1 D-1, 13 P-4/P-3, 10 National Professional Officer and 147 Local level ($1,728,900)) to be

established starting from February 2019, based on the implementation plan, to support the proposed implementation of the global service delivery model for the biennium 2018–2019.

24. Non-post resources amount to $1,271,600 as reflected in section 29D under grants and contributions.

25. Out of the total resources amounting to $3,000,500, the amount of $840,100 represents the regular budget share of the resource requirements proposed under service centre C.

Shared service centre D

Resource requirements: $2,736,700

Table 16
Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures

Objective of the Organization: To ensure effective and efficient administrative transactional and support services to clients and to optimize business processes to achieve greater efficiency

Expected accomplishments of the Secretariat	*Indicators of achievement*		*Performance measures*			
			2018–2019	*2016–2017*	*2014–2015*	*2012–2013*
(a) Efficient and effective support for the shared service centre	Percentage of satisfaction with the support services provided	Target	90			
		Estimate				
		Actual				
(b) Efficient and effective human resources administration services to clients	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(c) Efficient and effective finance services to clients	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(d) Efficient and effective travel services to clients	Percentage of services provided in accordance with established turnaround time	Target	90			
		Estimate				
		Actual				
(e) Efficient and effective client support services	Percentage of client satisfaction with the time to resolve client queries	Target	90			
		Estimate				
		Actual				

External factors

26. The objectives and expected accomplishments are expected to be achieved on the assumption that: (a) there are no major policy changes that affect the scope of services offered by the shared service centres; (b) relevant information is complete and is submitted for processing without delay; (c) there are no major outages or malfunctions in the computerized systems, including Umoja; and (d) there are no sudden or unexpected political, economic or technological incidents that adversely affect the operations of the shared service centres.

Outputs

27. During the biennium 2018–2019, the following outputs and services will be delivered by shared service centre D (regular budget, other assessed and extrabudgetary):

Table 17
Categories of outputs and final outputs

Outputs	*Quantity[a]*
Support for the shared service centre	
Provision of recruitment, budget and common services to the shared service centre	3
Implementation of recommendations of oversight bodies	1
Monitoring of shared service centre performance	1
Information for and responses to the Board of Auditors on matters related to payroll and accounts payable	1
Human resources administration services	
Appointments and onboarding services	150
Renewal of appointments	300
Movement of staff within the Organization	75
Separations and terminations (including agreed terminations and disability)	150
Processing of staff entitlements	1 250
Time management requiring approval by human resources (certified sick leave, special leave with/without pay, maternity/paternity leave, danger pay, etc.)	900
Coordination of human resources administration related tasks within Umoja	1
Processing of entitlement travel requests	500
Payroll services	
Monthly payment of salaries and related allowances and other benefits (number of staff per month)	8 000
Payments to staff upon separation from the Organization (number of staff)	150
Off-cycle payments (including education grant, relocation grant, travel advances and claims, payment for shipping of personal effects, residential security payments, etc.) (number of requests per month)	4 000
Accounts payable services	
Payments to vendors and other contractors (number of invoices)	22 500
Coordination of accounts payable related tasks within Umoja	1
Client support services	
Annual client satisfaction survey	1

[a] Outputs are based on estimates of a three-month period in 2019 as shared service centre D will not start operations until October 2019.

Table 18
Resource requirements for shared service centre D

	2018–2019 estimate	*Posts*
Regular budget		
Post	1 759.6	146
Non-post	977.1	–
Total	**2 736.7**	**146**

28. Total resources in the amount of $2,736,700 would provide for 146 posts (1 D-1, 13 P-4/P-3, 8 General Service (Other level), 8 National Professional Officer and 116 Local level ($1,759,600)) to be established starting from May 2019, based on the implementation plan, to support the proposed implementation of the global service delivery model for the biennium 2018–2019.

29. Non-post resources amount to $977,100 as reflected in section 29D, under grants and contributions.

30. Out of the total resources amounting to $2,736,700, the amount of $766,300 represents the regular budget share of the resource requirements proposed under service centre D.

Table 19
Posts proposed to be abolished in the biennium 2018–2019

Entity	*Category*	*Regular budget 2018–2019*
United Nations Office at Geneva	P-4	1
	P-2	2
	GS (PL)	2
	GS (OL)	9
Subtotal		**14**
United Nations Office at Nairobi	P-5	1
	P-4	1
	P-3	2
	P-2	2
	GS (PL)	8
Subtotal		**14**
United Nations Office at Vienna	P-4	1
	P-3	1
	GS (OL)	7
Subtotal		**9**
Economic Commission for Africa	P-3	1
	GS (PL)	3
	LL	8
Subtotal		**12**

Entity	*Category*	*Regular budget 2018-2019*
Economic Commission for Latin America and the Caribbean	P-2	1
	GS (PL)	2
	LL	11
Subtotal		**14**
Economic and Social Commission for Asia and the Pacific	P-2	1
	GS (PL)	2
	LL	10
Subtotal		**13**
Economic and Social Commission for Western Asia	P-3	1
	GS (PL)	1
	LL	6
Subtotal		**8**
Department of Economic and Social Affairs	GS (OL)	2
Subtotal		**2**
Department of General Assembly and Conference Management	GS (PL)	2
	GS (OL)	7
Subtotal		**9**
Department of Management, Executive Office	GS (OL)	5
Subtotal		**5**
Department of Management, Office of Human Resources Management	GS (PL)	1
	GS (OL)	16
Subtotal		**17**
Department of Management, Office of Programme Planning, Budget and Accounts	P-5	1
	GS (PL)	2
	GS (OL)	13
Subtotal		**16**
Department of Public Information	GS (OL)	4
Subtotal		**4**
Department of Safety and Security	GS (OL)	3
Subtotal		**3**
Executive Office of the Secretary-General	GS (OL)	1
Subtotal		**1**
Office of Internal Oversight Services	GS (OL)	1
Subtotal		**1**

Entity	*Category*	*Regular budget 2018–2019*
Office of Legal Affairs	GS (OL)	1
Subtotal		**1**
Department of Management, Office of Central Support Services	GS (OL)	1
Subtotal		**1**
Department of Peacekeeping Operations/Department of Field Support	GS (OL)	1
Subtotal		**1**
Special political missions (United Nations Assistance Mission in Afghanistan, United Nations Assistance Mission for Iraq, United Nations Support Mission in Libya)	P-5	1
	P-4	3
	P-3	2
	P-2	1
	FS-6	3
	FS-5	12
	FS-4	4
	NPO-C	1
	LL	41
Subtotal		**68**
United Nations Truce Supervision Organization	FS-4	1
	GS (PL)	1
	LL	2
Subtotal		**4**
Total		**217**

Proposed organization chart

* General temporary assistance position

Abbreviations: GS, General Service; LL, Local level; NOC, National Professional Officer, level C; OL, Other level.

Annex V

Glossary

Term	*Definition*
Administrative process	An administrative process refers to a sequence of steps or actions that leads to a pre-defined goal related to management of the Organization's resources. In this context, administrative processes are defined as end-to-end processes, starting from a request from a client and ending with the result, and often including sub-processes across different functional areas (human resources administration, finance, etc.).
Administrative transaction services	Location-independent human resources, finance and other administrative services, that are transactional and process oriented, lend themselves to standardization across the Organization and can be absorbed as functions within a service centre within the global service delivery model.
Client	Client, in this context, refers to: (a) an entity of the United Nations system (including offices and departments) requiring administrative services for the performance of their mandates; and (b) a staff member or representative of an entity authorized to request administrative services to be performed either for herself/himself as a staff member of the Organization or on behalf of the entity.
United Nations System Chief Executives Board for Coordination (CEB)	CEB is the principal inter-agency coordination body for providing coordination and strategic direction for the system as a whole in areas under the responsibility of the executive heads. It comprises the leadership of 31 member organizations.
Client relationship management	Client relationship management is a set of policies, processes and tools to manage the interaction with clients so as to improve the relationship and increase customer satisfaction. A client relationship management software application is a tool to manage the interaction between service providers and their clients.
Enterprise resource planning	A system that provides an integrated suite of information technology applications that support activities such as finance and budget management, human resources management, supply chain management, central support services and other core functions. Enterprise resource planning systems allow for the streamlining of operations in an organization through process re-engineering, sharing of common data and implementation of best practices and standards.
Finance and Budget Network	The Finance and Budget Network is a mechanism of CEB which brings together senior financial managers from across the United Nations system to provide strategic direction on finance and budget issues of common concern.
Key performance indicator	A key performance indicator is a measurable value to monitor and evaluate the success of a particular activity. It is a type of performance measurement and will be compared against targets, past performance and benchmarks to drive meaningful and impactful adjustments and improvements in the performance of service delivery.

Term	*Definition*
Process owners	Process owners have the ultimate responsibility for the performance of end-to-end processes and have the authority and ability to make necessary changes to existing processes. In this context, shared service centres will be process owners that oversee the improvement and optimization of the processes that are within the scope of shared service delivery.
Service-level agreement	A service-level agreement is a formal, negotiated agreement which defines parameters and responsibilities for the delivery of a service. The purpose of a service-level agreement is to articulate the minimum, expected and agreed quality of the service provided to clients.
Service request	A service request is raised by a client for certain administrative processes to be performed by a service provider. In this context, a service request will be raised by a client to the shared service centre through client relationship management tools, such as the Unite self-service portal.
Shared services	Shared services are locally independent services that are common to (or shared by) individual client entities and can be provided from a location or locations independent from the clients' own locations. The resources performing such services are organized in shared service centre(s), which operate on the basis of standardized processes and utilize client relationship tools to manage the interaction with clients remotely.
Support request	A support request is raised by a client to request information and/or support for certain issues related to service delivery. A support request will be raised by a client to a shared service centre through a client relationship management tool, such as the Unite self-service portal.
Umoja	Umoja has reworked the way the United Nations Secretariat manages its administration, in both business processes and information technology solutions. As the new central administrative system, Umoja replaces multiple and fragmented legacy systems such as the Integrated Management Information System, Mercury and Sun.
Unite self-service portal	An organization-wide information and communications technology portal for staff to perform multiple functions, including submitting requests for services and reporting issues with existing services, managing approvals and tracking request status.